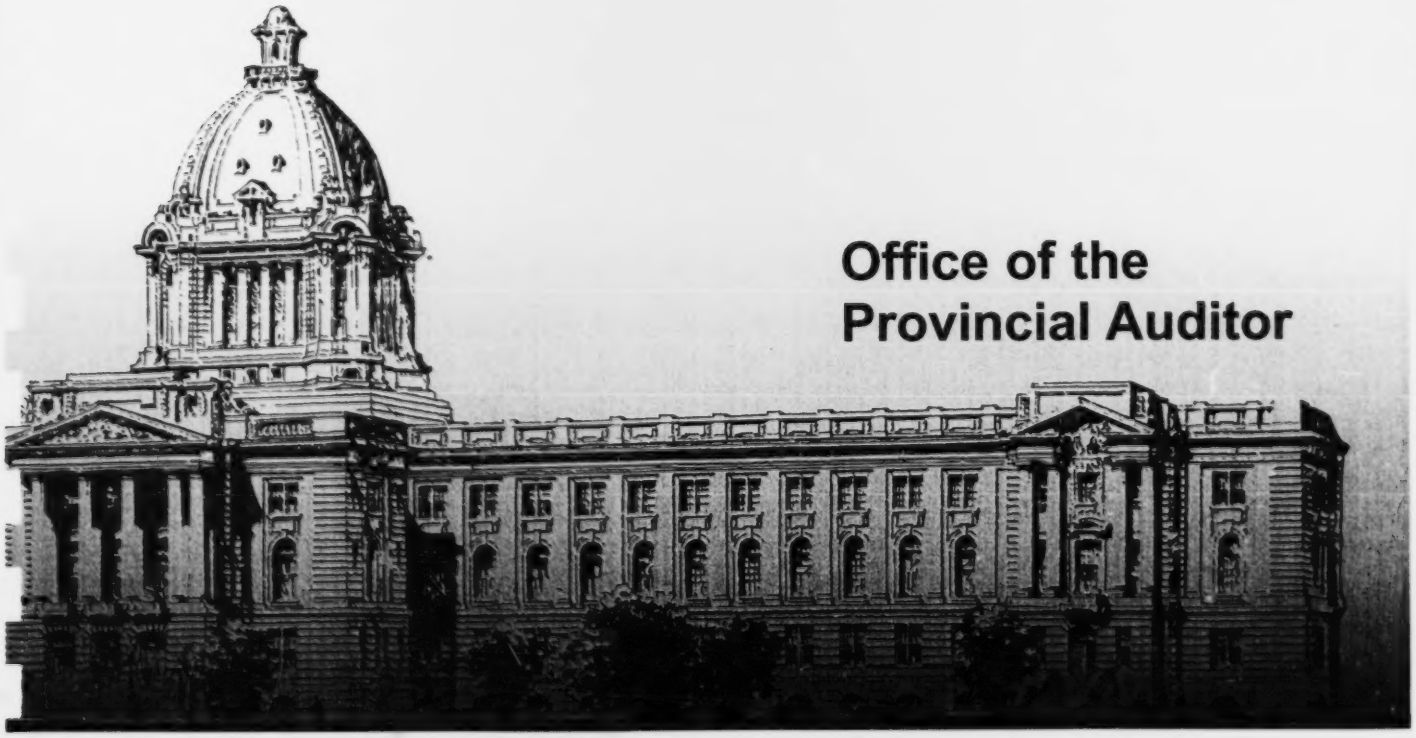
SASKATCHEWAN



Office of the Provincial Auditor

Annual Report on Operations
For the Year Ended
March 31, 2008

Provincial Auditor Saskatchewan

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Vision

We envision effective, open, and accountable government.

Mission

We serve the people of Saskatchewan through the Legislative Assembly by fostering excellence in public sector management and accountability.

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June 10, 2008

The Honourable D. Toth
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour to submit my *Annual Report on Operations For the Year Ended March 31, 2008* to be laid before the Legislative Assembly under the provisions of Section 14.1 of *The Provincial Auditor Act*. The information in this report reflects known events up to May 28, 2008.

Respectfully submitted,

Fred Wendel, CMA, CA
Provincial Auditor

/dd

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Provincial Auditor's Comments

I am pleased to present my 2008 Annual Report on Operations. This report on operations is an important part of the accountability process for my Office. It completes the accountability cycle that began when we published our 2008 Business and Financial Plan. The plan and this report on operations help legislators and the public assess our performance.

This report on operations outlines what my Office planned to do and describes what we achieved. It shows how we used the resources entrusted to us. And, this report provides assurance from our auditor that the information is reliable.

My Office has three goals: to foster well-managed government, encourage meaningful reporting by government, and manage our business effectively. The Performance section of this report, beginning on page 25, summarizes our targets and results for these goals. The Financial Highlights section of this report, beginning on page 38, provides additional financial detail.

The performance information in this report shows that 2008 was a successful year for the Office. Completing our work plan and publishing the results of our work were the focus of our efforts during the year. To provide timely information, we published our report to the Legislative Assembly on Government performance in three volumes.

Volumes 1 and 3 of our 2007 Report contain our assurance and advice to the Legislative Assembly. These reports cover about 275 agencies and help to improve public sector governance, management, and program performance.

Volume 2 of our 2007 Report focuses on understanding the finances of the Government using several key financial and economic indicators. The report also provides information to allow comparisons of the Government's finances to those of other provinces. My Office has prepared a report on the Government's financial condition since 1994.

My Office continues to work closely with the Canadian Council of Legislative Auditors (CCOLA). CCOLA is devoted to sharing information to enable more effective legislative auditing. Working with

CCOLA helps my Office challenge and improve our processes to do relevant, reliable, and cost-effective auditing.

Our success depends on the efforts of many people. For example, legislators support our work by providing the money we need to audit the Government. For the last thirteen years, legislators have supported the Office's budget requests. Adequate funding helps the Office meet legislators' expectations. Also, legislators' careful public review of our reports helps ensure that our work makes a difference.

Government officials and their appointed auditors also contribute to our success. Without the Government's co-operation and assistance, I would be unable to report on the quality of its management to the Legislative Assembly.

And finally, my colleagues are key to the Office successfully fulfilling its mandate. Our reports to the Legislative Assembly are the result of their skills, dedication, and hard work.

Fred Wendel, CMA, CA
Provincial Auditor

Context

Independence

The Provincial Auditor Act creates an independent Officer of the Legislative Assembly called the Provincial Auditor. The Act gives the Provincial Auditor the responsibility to audit all government agencies and report his findings to the Legislative Assembly.

The Act ensures that the Provincial Auditor is independent from elected and appointed officials including the Assembly's committees and boards. The Standing Committee on Public Accounts, an all-party committee that does not include cabinet ministers, unanimously recommends the Provincial Auditor for appointment by the Legislative Assembly for a 10-year term. A resolution of the Legislative Assembly is required to remove the Provincial Auditor from office.

The Act also requires the Standing Committee on Public Accounts to recommend the annual funding for the Provincial Auditor's Office. The Act sets the Provincial Auditor's salary and benefits. The Provincial Auditor also has managerial independence. He decides which employees to hire, what audit work needs to be done, and how the work is carried out.

The Office's policies require all employees to confirm annually whether they have relationships with the Government that could be perceived to affect their independence and objectivity. Also, generally accepted auditing standards require that the Provincial Auditor confirm his independence and objectivity. Fred Wendel confirms that he is independent and objective with respect to the Government of Saskatchewan within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Saskatchewan.

Who We Serve

The Office of the Provincial Auditor helps the Legislative Assembly hold the Government accountable for how it manages public resources. Our Office examines the Government's management of public resources and reports the findings to the Assembly.

What We Do

Our Vision

We envision effective, open, and accountable government.

Our mission

We serve the people of Saskatchewan through the Legislative Assembly by fostering excellence in public sector management and accountability.

Our mission shapes what we do and how we respond to key economic, political, social, and technological forces affecting those we serve.

How we carry out our mission

To fulfill our mission, we provide independent assurance (audit reports) and advice on the Government's management of and accountability practices for the public resources entrusted to it. We:

- Inform the Legislative Assembly about:
  - the reliability of the Government's financial and operational information
  - the Government's compliance with legislative authorities
  - the adequacy of the Government's management of public resources
- Encourage discussion and debate about public sector management and accountability issues
- Help the Standing Committees on Public Accounts and Crown and Central Agencies
- Develop professionals for public service
- Support and adhere to the accounting and assurance standards recommended by The Canadian Institute of Chartered Accountants

Our reports

We report our assurance and advice to the Legislative Assembly and the Government.

At the end of each audit, we issue a final report to the Minister responsible, to senior officials of the agency and, if applicable, to the chair of the board of directors. We also send a copy to the Chair and Secretary of Treasury Board and to the Provincial Comptroller.

We provide the Assembly with our audit reports (assurances) on the reliability of the financial statements and other performance reports issued by government agencies.

We also report directly to the Assembly each year. These reports contain the matters that we think are significant to the Assembly and the public. We decide what matters to report using the following questions:

- Does the matter affect the Assembly's ability to control the financial activities of the Government?
- Does the matter affect the Assembly's ability to hold the Government accountable for how it administers public money?
- Does the matter involve improving how the Government administers public money?
- Does the matter involve non-compliance with legislative authorities?

We assess these questions of what to report for specific government sectors, programs, agencies, and for the whole Government.

When an agency's financial statements, compliance with authorities, and processes to safeguard public resources are satisfactory, we also report that information to the Government and the Legislative Assembly.

Outcomes of our work and reports

Exhibit 1 on page 9 shows the outcomes of our work.

For our parliamentary system of government to work properly, it must have the public's confidence. To merit this confidence, the Government's programs must be effective. Also, the Government must be open and accountable to the public.

Our work and reports affect public confidence in the Government. They provide the public with confidence that the Government's financial and other reports are reliable, the Government uses adequate processes to

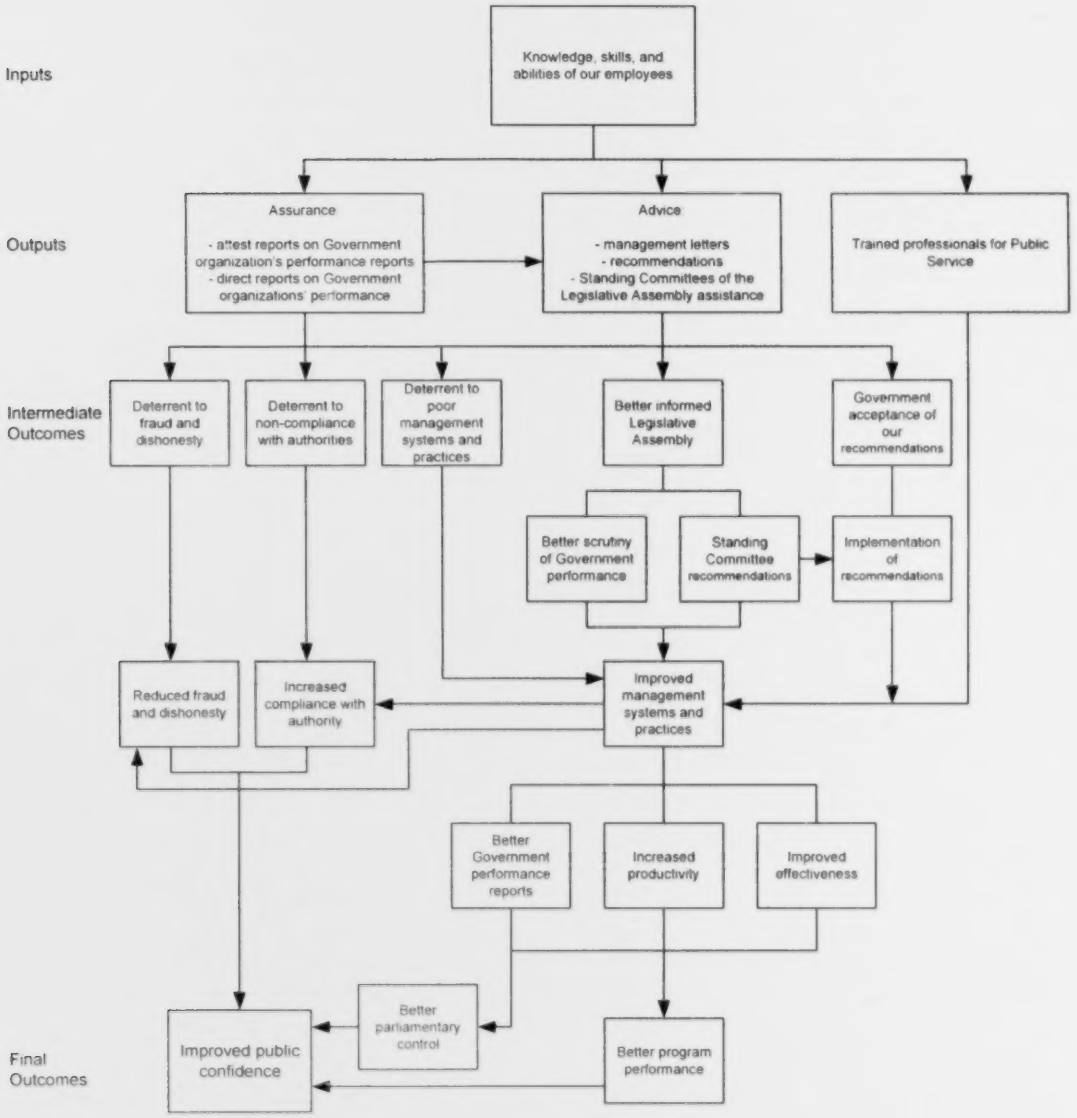
safeguard public resources, and the Government has complied with governing authorities.

One important responsibility of the Legislative Assembly is to hold the Government accountable for its management of public resources. By providing relevant, reliable, and timely reports, we help the Assembly to carry out this responsibility.

Our work and reports call for public accountability for government operations and sound management. They contribute to informed decision making in government and business-like processes. This helps the Government carry out its responsibility to use sound management practices.

What We Do and the Impact of Our Work

Exhibit 1



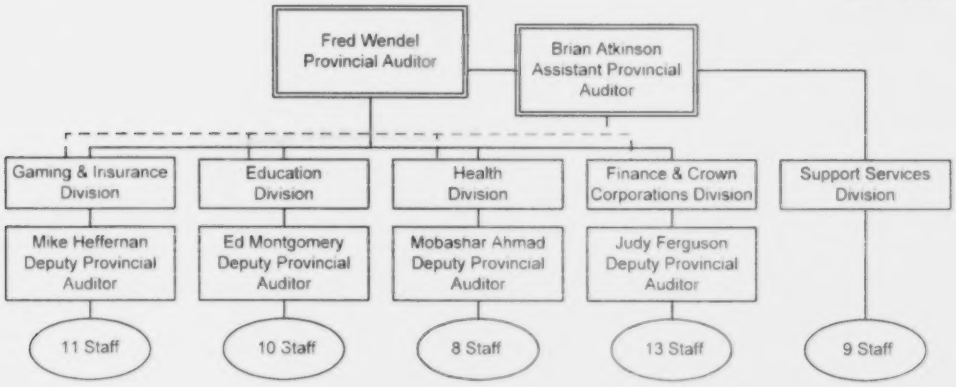
Our competencies

Our knowledge, skills, and abilities affect what we do for the public, the Legislative Assembly, and the Government. We apply the following competencies and experience to our work and reports:

- objectivity, because of our full independence from the Government
- thorough knowledge of the:
  - complex structure and systems the Government uses to manage public resources
  - structure of legislative authorities governing the activities of government agencies related to financial reporting, safeguarding assets, revenue raising, spending, borrowing, and investing
  - audit of information systems
  - accounting and assurance standards recommended by The Canadian Institute of Chartered Accountants
- working knowledge of the issues facing government agencies operating in diverse types of businesses including education, health, insurance, protection of people and property, pension and benefit plans, energy, telecommunications, gaming, transportation, renewable resources, human resources, construction, and financial services
- a business view derived from rigorous professional training that we blend with our practical knowledge of public administration

Our Organization

Exhibit 2



As shown in Exhibit 2, our Office has five divisions. Each division has a distinct focus.

Our Gaming and Insurance Division's responsibilities include examining the Government's gaming, insurance, pension, and resource management programs. The Government earns approximately $2 billion annually from non-renewable resources. Also, the Government's pension liabilities total over $7 billion. Pension and insurance liabilities require our staff to acquire knowledge to understand the methods used by actuaries and the accounting practices in these industries. Gaming operations (casinos) and resource management also require our staff to understand the unique risks in these industries.

Our Education Division's responsibilities include examining the Government's education, training, labour, telecommunications, and infrastructure programs. The learning sector (including early childhood development, pre-kindergarten to grade 12 education, technical training, post-secondary education, and provincial libraries) spends over $2 billion annually. In addition, the Government has over $10 billion invested in infrastructure. The Division is also responsible for our government-wide information technology audits.

Our Health Division's responsibilities include examining the Government's health (including regional health authorities), justice, welfare (including child and family services), and energy programs. Total public spending on health and welfare for the year ended March 31, 2008 was $4.3 billion. Auditing the delivery of health care and welfare requires our staff to understand risks associated with these programs. The Division also coordinates our work to encourage the Government's efforts in moving to a public accountability system focused on results.

Our Finance and Crown Corporations Division's responsibilities include examining the Government's provincial taxation, debt management, transportation, agricultural, and power production and transmission programs. It also leads the audits of the Government's summary financial statements and Crown Investments Corporation of Saskatchewan.

Our Support Services Division's responsibilities include administration, human resources, research, methodology, training, secretarial, clerical, and information technology.

At March 31, 2008, our Office employed 57 people. Thirty-three of our employees are professional accountants. Thirteen are training to become professional accountants.

Our employees are our most valuable resource because "what we do" depends on their knowledge and skills. Creating and maintaining an environment that encourages and rewards ongoing learning is crucial to our success.

What We Planned To Do

Our goals and objectives

We have three goals:

- Foster well-managed Government
- Encourage meaningful reporting by Government
- Manage our business effectively

Exhibit 3 sets out our goals and objectives. On pages 71 to 87, we set out a summary of our strategic plan for 2005 to 2009 including our goals, objectives, general strategies, and action plans.

Exhibit 3—Our Goals and Objectives

Goal 1 – Foster well-managed Government
Objectives:
1.1 Our stakeholders value our assurance and advice to strengthen the Government's accountability to the Assembly.
1.2 Our stakeholders value our assurance and advice to strengthen the Government's processes to achieve intended results.

Goal 2 – Encourage meaningful reporting by Government
Objectives:
2.1 The Government provides useful summary plans and results to the Assembly.
2.2 Significant agencies report their plans and results to the Assembly.
2.3 Our stakeholders value our timely assurance and advice on the Government's reports on plans and results.

Goal 3 – Manage our business effectively
Objectives:
3.1 Our stakeholders understand and value what we do.
3.2 We are leaders in key areas of legislative auditing.
3.3 We continuously improve our work.
3.4 We embrace our guiding principles.

Our Guiding Principles

Our Office is committed to earning the respect and confidence of legislators, the public, government officials, and our professional colleagues. Our guiding principles help us meet this objective. The following principles guide us:

Accountability – We actively take responsibility for achieving positive results and explaining our performance.

Balance – We support the balance between work, home, and community responsibilities.

Independence – We maintain objectivity in all our work.

Innovation – We seek better ways to achieve results and foster continuous learning.

Integrity – We work in a professional, honest, courteous, and fair manner.

Leadership – We lead by example and encourage open communication and teamwork.

Factors affecting our work plan

Annually, we provide a detailed work plan to the Assembly. The work plan reflects our goals, guiding principles, and several other key factors.

Our work plans ensure we fulfill our responsibilities under *The Provincial Auditor Act*. The Act sets out the agencies we must examine.

We prepare our work plan in September for the next fiscal year. When we prepare the plan, it reflects known information about:

- the Government's revenue and spending
- the number of government agencies
- the quality of the Government's records, systems, and practices
- the Government's use of appointed auditors
- professional standards
- the co-operation we expect to receive from government officials and appointed auditors when we do our work
- the public's expectations

Forces and trends affecting our work plan

Forces and trends also affect our work plans. Six major forces and trends affect our stakeholders (i.e., legislators, the public, and government officials). They also shape our work.

Advancing technology – making possible new ways of communicating and providing services, quicker and often at less cost, but requiring attention to security and loss of privacy.

Changing demographics – a growing Aboriginal population, an aging population, the depopulation of rural Saskatchewan, and increasing retirements.

Economic constraints – increasing demand for government services and continued demand for lower taxes.

Globalization – a highly integrated and interdependent world with an increasingly mobile skilled workforce, strong international competition, and global standards.

Governance – the need for increased public confidence in government organizations.

Pressure on the environment – the sustainability of our environment balanced with the need for long-term economic activity.

These forces and trends have increased the public's expectations. For example, technology gives the public more accessible information and knowledge about services and taxes in other jurisdictions. Changes in demographics will result in increased demands for services (e.g., health care). The Government's ability to manage scarce public resources and meet the public's increased expectations impacts public attitude.

In Saskatchewan, these forces and trends are straining public resources. They cause stakeholders to re-examine the role of the Government, that is, how it organizes and delivers programs and services, and how it ensures adequate participation in decision making.

Our focus

We focus our efforts on helping legislators, government officials, and the public address the challenges emerging from these forces and trends. We encourage the Government to:

- Report on how it manages the risks related to advancing technology, changing demographics, economic constraints, globalization, and pressure on the environment
- Improve its management of risks related to public sector human resources and the public's valuable infrastructure, including information technology, for effective service delivery
- Improve governance processes for better management of public resources
- Strengthen its management of and accountability for intergovernmental and interagency programs
- Improve the quality of information provided to legislators on the plans and results of the overall Government and on each of its agencies including Crown corporations

Indicators of Success

We gauge our success by monitoring seven general indicators. These indicators relate to key outcomes that we plan to achieve through accomplishing our goals and objectives.

1. Our stakeholders value our assurance and advice. (goal 1, objectives 1 & 2)

- The Government acts on 80% of those recommendations that are more than one year old and do not involve major changes.
- The Government acts on 80% of those recommendations that are more than five years old and involve major changes.
- The Standing Committees on Public Accounts and Crown and Central Agencies accept 90% of our recommendations that they consider.

2. The Government and its agencies report their plans and results to the Assembly. (goal 2, objectives 1 & 2)

- By 2008, 80% of the key reporting elements of the summary performance plan meet accepted reporting principles.
- By 2008, 70% of significant agencies publicly report their financial and operating results compared to their targets including information on their key risks and how they manage those risks.

3. The Assembly receives our timely assurance on the Government's reports on plans and results. (goal 2, objectives 1, 2, & 3)

- By 2007, 50% of those significant agencies that receive our audit reports on the reliability of their key non-financial performance information include those reports in their public reports.
- Our work is reported by established deadlines and within the planned costs set out in our Business & Financial Plan.

4. Our stakeholders understand and value what we do. (goal 3, objective 1)

- The Government acts on 80% of those recommendations that are more than one year old and do not involve major changes.
- The Government acts on 80% of those recommendations that are more than five years old and involve major changes.
- The Standing Committees on Public Accounts and Crown and Central Agencies accept 90% of our recommendations that they consider.
- Our work is reported by established deadlines and within the planned costs set out in our Business & Financial Plan.
- Post audit questionnaires indicate a positive trend in satisfaction with our work.
- Our auditor reports publicly and positively on our performance (e.g., our financial statements, our compliance with *The Provincial Auditor Act*, the adequacy of our financial controls, and the reliability of one of our key non-financial performance indicators per year).

5. We are leaders in key areas of legislative auditing. (goal 3, objective 2)

- Our auditor reports publicly and positively on our performance (e.g., our financial statements, our compliance with The Provincial Auditor Act, the adequacy of our financial controls, and the reliability of one of our key non-financial performance indicators per year).

6. **We continuously improve our work.** (goal 3, objective 3)

- Our staff time is used as set out in our Business and Financial Plan.
- Post audit questionnaires indicate a positive trend in satisfaction with our work.
- Our pass rates for students in professional accounting programs exceed national averages each year.
- Positive reports on our work from The Institute of Chartered Accountants of Saskatchewan.
- Positive CCOLA Peer Review reports on our work.
- Our work is reported by established deadlines and within the planned costs set out in our Business & Financial Plan.
- The Standing Committees on Public Accounts and Crown and Central Agencies accept 90% of our recommendations that they consider.

7. **We maintain a positive healthy work environment.** (goal 3, objective 4)

- Our corporate culture surveys show a positive trend in our working environment.

Risk Management

Our key risks

Sound risk management is essential for us to help the Legislative Assembly hold the Government accountable for its management of public resources. To manage risk, we must identify, assess, and reduce to an acceptable level the possible adverse consequences that the Office may experience from events or circumstances.

We routinely identify and assess our risks. We have established processes to reduce the likelihood of adverse consequences to an acceptable level. We accept some risk because it is not cost effective to cut out all risks. The following are our key risks along with the key processes we use to reduce these risks to an acceptable level.

Our stakeholders do not support our goals and objectives. For the Office to remain viable, legislators, the public, and government officials (our stakeholders) should support our goals and objectives. Pursuing our goals and objectives must result in relevant assurance (audit reports) and advice for our stakeholders. As discussed more fully in the risks that

follow, we have established processes so that we set goals and objectives that will result in relevant assurance and advice for our stakeholders.

The Government does not act on our recommendations. Doing independent, reliable, and relevant work at a reasonable cost is vital to our Office's success. These attributes are also essential for our stakeholders to value our advice. We must understand the challenges that the Government faces. Also, our advice must help improve program performance. In the risks that follow, we set out the processes that we use so that our assurance and advice is independent, relevant, reliable, and cost effective.

We do not adequately understand or respond to the challenges and risks faced by our stakeholders. If our assurance and advice is to be reliable, we must understand the challenges and risks faced by the Government. How the Government manages its risks affects the nature and extent of work we must do to report to the Assembly.

We must also understand the challenges faced by legislators and the public if our assurance and advice is to be relevant. To be relevant, our assurance and advice should result in better parliamentary control over government activities and better program performance.

On pages 71 to 87, we set out a summary of our strategic plan that enables us to understand the challenges and risks faced by the Government, legislators, and the public.

The Standing Committees on Public Accounts and Crown and Central Agencies are unable to fulfill their responsibilities. Our Office must provide assurance and advice that is consistent with the Committees' objectives.

The Standing Committee on Public Accounts is the audit committee for the Legislative Assembly. The Committee is a key agent of change for improving the Government's management of public resources. The Committee's mandate is to help the Assembly hold the Government accountable for its spending of taxpayers' money and for its stewardship over public resources. The Committee reviews, examines, and evaluates the activities of government departments and Crown agencies. The Committee works with the Provincial Auditor to carry out the Committee's mandate.

The Standing Committee on Crown and Central Agencies helps the Legislative Assembly to hold the Government accountable for its management of public resources. The Committee considers matters relating to the Crown Investments Corporation of Saskatchewan and its subsidiaries, supply and services, central agencies, liquor, gaming, and all other revenue related agencies and entities. Beginning in 2001, the Assembly referred the parts of our reports that relate to the Crown Investments Corporation of Saskatchewan (CIC) and its subsidiaries to the Committee for review. During those reviews, the Committee works with the Provincial Auditor to carry out the Committee's mandate.

Our Office must provide independent, relevant, and reliable information that is consistent with the Committees' objectives. To do this, our Office works closely with the Committees. Also, the Office provides the Assembly with an annual business and financial plan and an annual report on operations. The Standing Committee on Public Accounts reviews and provides its advice on these reports.

We lose or stakeholders perceive that we have lost our independence. *The Provincial Auditor Act* makes our Office responsible to examine all public resources managed by the Government (e.g., departments, boards, corporations) and the Legislative Assembly (e.g., Board of Internal Economy).

The Act makes our Office independent of appointed and elected officials so that we can administer the Act without fear of reprisal.

The Act defines the agencies that the Office must examine. The Office decides what work needs to be done and how the work is carried out for the proper administration of the Act.

We guard our independence and report to the Assembly when we are concerned about our independence. Also, the Office has processes to maintain objectivity and independence in our work for the Legislative Assembly.

We provide inappropriate or incorrect assurance and advice. Stakeholders must trust and value our assurance (audit reports) and advice. Gaining and keeping their trust is essential to the viability of the Office. On pages 71 to 87, we set out our goals, objectives, general strategies, and action plans to ensure that our assurance and advice are reliable.

Also, in the next section (why systems and practices are important), we describe our quality control system to ensure that our work is reliable. These processes reduce our risk to an acceptable level. But, we recognize systems and practices sometimes fail because of factors such as procedural failures and human error.

We do not have the required competencies and resources. The quality of our work is dependent on the knowledge, skills, and abilities of our employees. We have training programs to ensure that our employees have the special competencies we discuss on page 10.

To discharge our statutory responsibilities, we need enough resources to employ the required competent people. We also need enough resources to equip, support, and house our employees. We need the support of legislators to get the required resources. To get this support, we have established processes to ensure that our work is relevant to legislators and reliable. Also, we publish a business and financial plan annually to build legislators' support for our request for resources. When we do not have enough resources to pay for the cost of our work force, we reduce the size of our staff. When this happens, we do not do all the work the law requires us to do and we advise our stakeholders.

We do not manage our resources effectively. Our management practices must promote the effective use of our resources. We have established processes to keep this risk at a minimum. These processes include such things as setting direction, setting performance targets, monitoring our guiding principles, training staff, segregating duties, maintaining procedural manuals, delegating authority, processing transactions, reporting, and monitoring results.

Why systems and practices are important

Strong systems and practices ensure we have proper processes to manage the risks that might prevent our Office from achieving its goals including sound financial management. The following briefly describes those systems and practices.

Systems and practices for achieving Goals 1 and 2

For the risks associated with Goal 1 (foster well-managed government) and Goal 2 (encourage meaningful reporting by government), we need systems and practices to ensure the quality of our work; identify and report opportunities for improving government agencies' performance

reports and their management processes; and ensure that our work covers all government agencies.

Quality

The Office complies with the accounting profession's generally accepted standards of practice. The objective of these standards is to maintain and enhance the quality of audit work.

We established a system of quality control to ensure that the Office and its staff comply with professional standards and legal requirements. The quality control system also ensures that our reports are appropriate.

The Office's system of quality control includes the following elements: leadership responsibilities for quality within the Office; ethical requirements; acceptance of specific assurance work; human resources; engagement performance; and monitoring. We have documented the quality control policies and procedures and communicated them to staff.

The system of quality control promotes recognition that quality is essential in our work. While the Provincial Auditor has ultimate responsibility for the Office's quality control system, the Assistant Provincial Auditor has the operational responsibility. The Office's internal documentation, training materials, and staff appraisal procedures reinforce the view that quality is essential in our work.

We maintain our objectivity and independence in all our work. We routinely ask our staff to know that they comply with our objectivity and independence standards. We also have policies to change senior staff on significant audits at reasonable intervals.

We have hiring, training, and performance evaluation policies to help staff have the knowledge, skills, and abilities needed to do their work. These policies also help us broaden our staff's skills in key sectors (e.g., health, education, and social services), information technology, and general management.

We use standard methods for carrying out our work and continually change the methods to reflect best practice. The methods cover how we plan, execute, supervise, review, and report our work. We monitor all our work to know that it meets our standard methods. Also, we have procedures for working with other auditors who audit government agencies.

Relevant work

The following systems and practices help us encourage the Government to improve its performance information and processes to achieve intended results (management).

Our Office publishes its strategic plan that includes its goals, objectives, general strategies, and action plans. The strategic plan is the foundation for our annual business and financial plans. Our processes require us to review the internal and external environments to assess whether changes are required. This helps our Office direct its efforts toward relevant issues.

Our personnel policies ensure that our employees align their activities with our goals and objectives. Each employee's annual work plan shows how the employee will contribute to achieving our goals and objectives. We continually monitor our employees' work plans.

We have established standards that require us to report to agencies in writing our conclusions, findings, and recommendations after each audit. Those standards also require us to meet with agencies to discuss the findings and gain support for our recommendations. Also, we monitor management's satisfaction with our work. We also continuously seek advice from stakeholders when we work with appointed auditors.

Scope of our work

The following practices ensure that our work covers all government agencies.

The Legislative Assembly, Cabinet, and government agencies create or windup other government agencies. We monitor their actions and continually change our list of government agencies.

We prepare an annual work plan for the Office that covers all government agencies. We use a risk-based model to focus our work. We estimate the costs of carrying out the plan and ask the Assembly for the money to carry out the plan.

Systems and practices for achieving Goal 3

For the risks associated with Goal 3 (manage our business effectively), we need systems and practices to ensure that our stakeholders understand and value our work. We also need processes to ensure that

our work is relevant, reliable, timely, and done at a reasonable cost. They help us improve our performance.

Stakeholders understand and value our work

The following processes help us communicate to our stakeholders who we are, our plans, and the results of our work.

We have processes to prepare reliable plans and performance reports. These documents convey vital information about our Office. We also have processes to make these documents accessible to legislators, the public, and government officials. And, we seek and monitor the views of our stakeholders on our plans and performance.

We have processes to report our assurance and advice to the Legislative Assembly and our other stakeholders in a clear, accessible, and timely manner. We monitor legislators' and the Government's acceptance of our recommendations. We also monitor the use of our reports by legislators, legislative committees, and the media.

Quality at reasonable cost

The following systems and practices affect the quality and cost of our services.

For Goals 1 and 2, we established systems and practices to ensure the quality and relevance of our work. These processes include identifying best practices. We continually compare the way we do our work with private sector auditors and other legislative auditors.

We have established systems and practices for the sound financial management of our assets. Our auditor reports publicly that our management systems and practices are adequate (see page 68).

We have established processes so that we report our work by established deadlines and within the planned costs set out in our business and financial plan. We forecast the cost of each audit and monitor the cost. We compare planned to actual costs, and we explain and act on differences. We also routinely compare our costs with private sector auditors' costs to audit government agencies.

Our most significant expense is salaries and benefits. We plan the use of our employees' time and monitor our employees' use of time. We compare planned to actual results, and we explain and act on differences.

Also, because the quality and cost of our work is directly related to our employees, we monitor our employees' views of our working environment.

Performance

What We Have Done

Background for measuring our performance

We have three basic outputs (services). See Exhibit 1 on page 9. These are assurance (audit reports), advice (recommendations), and trained professionals for public service. Our advice is a by-product of our assurance work. We deliver our services in several ways.

We provide assurance and advice to government officials. We provide assurance by way of reports on the reliability of financial statements, compliance with authorities, and the adequacy of financial management systems and practices. We provide advice and assurance by way of letters to government officials setting out our conclusions, findings, and recommendations for improvement.

We also provide assurance and advice to the Legislative Assembly and the public in our reports to the Assembly. These reports summarize our work at government agencies. They provide assurance and advice on the Government, sectors of the Government, and on each government agency's financial statements, its compliance with authorities, and the adequacy of its financial management systems and practices.

As shown in Exhibit 1 (page 9), our assurance and advice results in two final outcomes. These outcomes are improved public confidence in government and improved performance in the delivery of government programs. We think the Government can gain improved public confidence by improving its performance reports (i.e., business and financial plans and annual reports). We also think the Government can improve the delivery of its programs by acting on our recommendations.

Our trained professionals leave our Office to work in the public sector. They contribute to improved management systems and practices in those agencies. During the year ended March 31, 2008, three of the four employees who left the Office accepted public sector positions.

Our major input cost to produce our products is salaries and benefits. Salaries and benefits account for 79% of our spending. We monitor and report publicly on the use of staff time.

Reporting publicly on our performance

Our target is to provide the Assembly with our business and financial plans and our annual reports on operations as required by *The Provincial Auditor Act*.

During the year, we provided the Assembly with our *Annual Report on Operations for the year ended March 31, 2007* and our *Business and Financial Plan for the year ending March 31, 2009* as required by the Act. These reports are available on our website.

Measuring our performance

We measure our success in achieving our goals and objectives by monitoring our performance targets for each of our seven general indicators. We set out our "Indicators of Success" on pages 15 to 17.

The following discussion and exhibits provide a report card on our performance. We set out our actual and target performance by goal for each of our performance indicators.

Goal 1: Foster well-managed government

We measure our success in fostering well-managed government based on the Government's and the Assembly's acceptance of our recommendations.

For 2008, we had our results for the performance targets for Goal 1 audited. The auditor reported that the performance information for Goal 1 is reliable. We include the auditor's report and the schedule on pages 62 to 65.

Government's acceptance of our recommendations

We group our recommendations to the Legislative Assembly for improving the Government's performance reports and the Government's delivery of its programs into two types. Type 1 recommendations are easier to carry out. Our performance target is that the Government will act on 80% of Type 1 recommendations that are more than one year old.

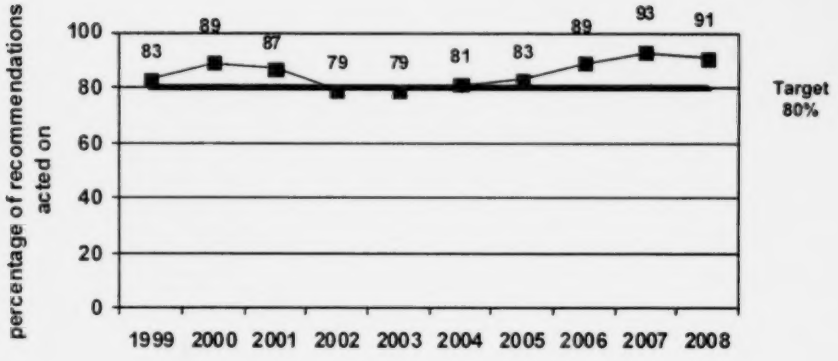
Type 2 recommendations are more difficult to carry out. Our performance target is that the Government will act on 80% of Type 2 recommendations that are more than five years old.

We track our Type 1 recommendations over a five-year period. From April 2003 to March 2008, we made 252 Type 1 recommendations. Of those recommendations, 75 are less than one year old.

For 2008, Exhibit 4 shows that the Government acted on 91% of the Type 1 recommendations that are more than one year old. In 2008, we achieved our target that the Government acts on 80% of our Type 1 recommendations that are more than one year old.

Exhibit 4

Percentage of Total Type 1 Recommendations More Than One Year Old Acted on by the Government

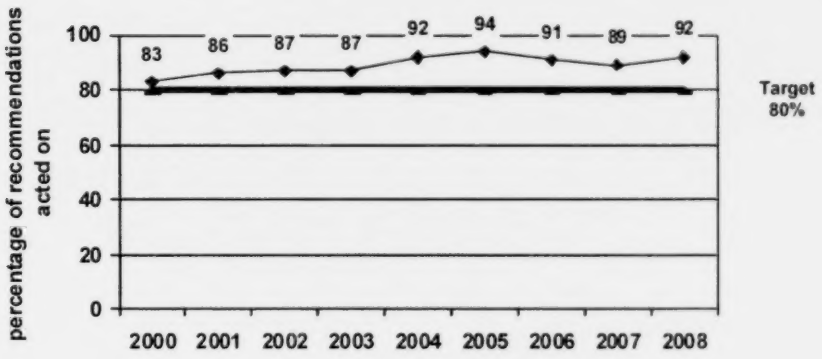


We track our Type 2 recommendations over a ten-year period. From April 1998 to March 2008, we made 321 Type 2 recommendations. Of those recommendations, 219 are less than five years old.

For 2008, Exhibit 5 shows that the Government acted on 92% of the Type 2 recommendations that are more than five years old. We began tracking these recommendations in April 1994. This is the ninth year that we have data to compare to our target. We have achieved our target that the Government acts on 80% of our Type 2 recommendations that are more than five years old.

Exhibit 5

Percentage of Total Type 2 Recommendations More Than Five Years Old Acted on by the Government



Assembly's acceptance of our recommendations

The Legislative Assembly refers our reports to the Standing Committees on Public Accounts and Crown and Central Agencies. The work of these Committees is needed for our Office to help improve accountability and the delivery of government programs. Our performance target is that the Committees, and thus the Assembly, will agree with 90% of our recommendations.

We track our recommendations to the Assembly for improving the Government's performance reports and the Government's delivery of its programs over a five-year period. During the five-year period ending March 31, 2008, we made 446 recommendations and the Committees reported to the Assembly on 300 of these recommendations.

The Committees have not reported to the Assembly on all our recommendations. The Committees decided not to consider 13 of the recommendations in our reports because we told the Committees that the Government had already acted on those recommendations.

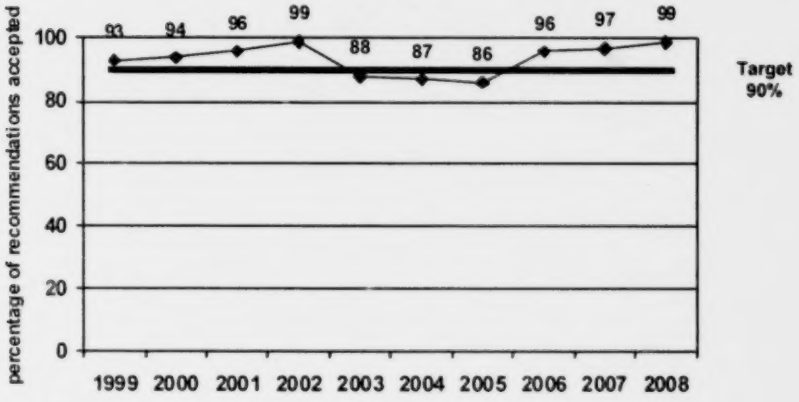
The Committees have not yet completed their review of all recommendations in the 2007 Report – Volumes 2 and 3 (14 chapters outstanding with 44 recommendations). At March 31, 2008, the Committees have not yet reported to the Assembly on 89 of the recommendations they have reviewed.

We measure our success based on the Committees' acceptance of our recommendations that they consider and report on to the Assembly. Our performance target is to have the Committees accept 90% of our recommendations.

For 2008, Exhibit 6 shows that the Committees accepted, or partly accepted, 99% of our recommendations that they have reported on to the Assembly. The exhibit shows that we have achieved our target in seven of the past ten years. In 2008, we achieved our target that the Committees accept 90% of our recommendations.

Exhibit 6

Percentage of our Recommendations Considered and Accepted or Partially Accepted by Legislative Committees in their Reports to the Legislative Assembly



Goal 2: Encourage meaningful reporting by Government

We measure our performance based on the quality and extent of the Government's public reporting of its planned and actual results. We also measure our performance based on the extent that we provide the Assembly with timely assurance on the Government's reports.

Quality and extent of reports

Meaningful performance reports include reports on the activities of government and reports on the activities of significant agencies. We measure our success using two indicators:

- By 2008, 80% of the key reporting elements of the summary performance plan meet accepted reporting principles.

- By 2008, 70% of significant agencies publicly report their financial and operating results compared to their targets including information on their key risks and how they manage those risks.

For the first indicator, we planned to review the 2009 summary performance plan and to report the results in this report on operations. During our review of the 2005 – 2009 Strategic Plan this year, we reassessed this indicator. We decided that we would review the Government's 2009 performance plan summary as a benchmark for future reviews. We will report the results in our 2010 report on operations.

For the second indicator, we plan to review the 2008 annual reports of all significant agencies. We will report the results in our 2009 report on operations. During 2008, we encouraged agencies to continue to publish their financial and operating results compared to their targets. We also encouraged agencies to continue to set out information on how they managed their key risks.

Timely assurance on reports

To have confidence in reported information, legislators and the public need timely assurance that the Government's reports are reliable. In this regard, we measure our success using two indicators:

- By 2007, we expect 50% of those significant agencies that receive our audit reports on the reliability of their key non-financial performance information will include those reports in their public reports.

- We expect to report our work by established deadlines and within the planned costs set out in our business and financial plans.

For all government agencies, we report on the adequacy of their processes to safeguard public resources, prepare reliable financial reports, and comply with the law. These types of assurances (audit reports) are important to legislators and the public.

In 2008, we continued to encourage management to include an auditor's report on financial control in their public reports. To show leadership, we publish our auditor's reports on the adequacy of our financial

management processes and compliance with the law in our annual reports on operations (see pages 68 and 69).

For the first indicator, we met our target. As reported last year, we audited key non-financial performance information for two agencies in 2007:

- We provided an opinion on the reliability and understandability of certain information in the Department of Learning's annual report. We concluded that the performance information reported by Learning in the "What Are We Measuring?" sections for Goal 1 of its *Annual Report 2005-2006*, is in all material respects, reliable, understandable, and in accordance with reporting principles described by management in the report. Our audit opinion was included in Learning's *Annual Report 2005-2006*.

- We provided an opinion on the reliability, understandability, and consistency of certain information in Saskatchewan Transportation Company's (STC) annual report. We concluded that the Balanced Scorecard information presented by STC in its *2006 Annual Report* presents fairly, in all material respects, STC's results for 2006 in accordance with the reporting principles of reliability, understandability, and consistency as described by management in the report. Our audit opinion was included in STC's *2006 Annual Report*.

Our work in 2008 did not include audits of key non-financial performance information.

The second indicator is that we expect to complete our work by established dates and within the costs set our in our business and financial plans. We describe our 2008 results below.

Goal 3: Manage our business effectively

We measure our success in managing our business effectively based on the relevance, quality, cost, and timely completion of our work. We also assess our working environment and the reliability of our management processes and our public reports.

The following discussion and exhibits report our performance compared with our planned performance.

Quality of our work

We use three indicators for measuring our success in producing quality products for the Assembly. Our work needs to comply with professional standards, legislative committees need to be satisfied with our advice, and government agencies need to be satisfied with our work.

The Institute of Chartered Accountants of Saskatchewan periodically inspects our Office to ensure that we comply with professional standards. We expect that the Institute will report positively on our work. On pages 66 and 67, we include the Institute's inspection report. The report says that our work complies with professional standards.

To measure the Committees' satisfaction with our advice (relevance), we monitor the Committees' acceptance of our recommendations. We report on pages 28 to 29 that the Committees accepted 99% of our recommendations in its reports to the Assembly. Based on this indicator, we think that the Committees are satisfied with our advice.

We want government agencies to be satisfied with our work. Our performance target is for survey results to indicate satisfaction with our work. For 2008, we had our results for this performance target audited. The auditor reported that the performance information is reliable. We include the auditor's report and schedule on pages 62 to 65.

This year is the tenth year that we surveyed government agencies about their satisfaction with our work. The work was related to our examinations of agencies during our fiscal years ended March 31, 2004 to March 31, 2008.

We sent 272 surveys to agencies and received 151 responses. We asked the agencies to tell us their satisfaction with our work as it relates to the following four areas:

- our planned work for the agency met its needs and that we carried out our work according to the plan (responsiveness)
- our employees were knowledgeable and carried out their work professionally and courteously (professionalism)
- our reports to the agency's Minister were understandable, fair, and accurate (reports)
- our recommendations to the agency were feasible and result in proper management of public resources and accountability (recommendations)

Exhibit 7

Criteria	2004	2005	2006	2007	2008
Responsiveness	very satisfied	very satisfied	very satisfied	very satisfied	satisfied
Professionalism	very satisfied	very satisfied	very satisfied	very satisfied	very satisfied
Reports	very satisfied	very satisfied	very satisfied	very satisfied	very satisfied
Recommendations	very satisfied	very satisfied	very satisfied	very satisfied	very satisfied

As set out in Exhibit 7, agencies are satisfied with our performance. Although we are pleased with the results for the 56% of the surveys that were returned, we are concerned that we do not know the level of satisfaction for the other 44%. We will continue to encourage agencies to respond.

Completion of our work

We measure our success in achieving goals 2 and 3 by completing the work that is set out in our business and financial plan by established deadlines.

We completed most of the work set out in our *2008 Business and Financial Plan*. We completed our 2007 Report – Volumes 1, 2, and 3 to the Legislative Assembly. We also reported our audit conclusions, findings, and recommendations to each government agency.

We could not complete some of the work set out in our *2008 Business and Financial Plan* because of delays in receiving information from some government agencies.

We continue to be concerned about the timeliness of our reports to government agencies. When our work is late, government agencies have difficulty meeting their established deadlines. Also, they do not have the benefit of our advice to improve their management systems and practices.

We track the timeliness of our reports to government agencies. The planned dates are the dates that we agreed to provide our reports to government agencies. The reports include our assurance on the financial statements of government agencies and our advice on improving the agencies' financial management processes.

We provided 76% of our reports to government agencies by the agreed on dates (2007 – 67%). Though we note improvement in our timeliness, we continue to work on improving our performance in this area. As

mentioned above, our survey of government agencies show that agencies are satisfied with our work as it relates to responsiveness.

Costs of our work

Our performance indicator for the costs of our work is the planned costs set out in our *2008 Business and Financial Plan*. Our performance target is to complete the work within the planned costs.

Pages 51 to 55 show our actual costs for examining government agencies for years ending in the period January 1, 2007 to December 31, 2007 compared with our planned costs. We had the actual cost information audited. On page 50, the auditor reported that the information is reliable.

We completed most of our work within our planned costs. We explain significant differences between planned and actual costs on page 60.

Our efficiency in the use of our resources

We use two performance indicators for our efficiency in using our resources. We want to show that we are finding better ways to do our work. These indicators are our request for resources from the Assembly and how we manage our largest cost – salaries.

Each year, we prepare a detailed work plan to carry out our responsibilities under *The Provincial Auditor Act* and a forecast of the cost of that plan (see pages 51 to 52). For Exhibit 8, our request for resources is the forecast cost of our plan.

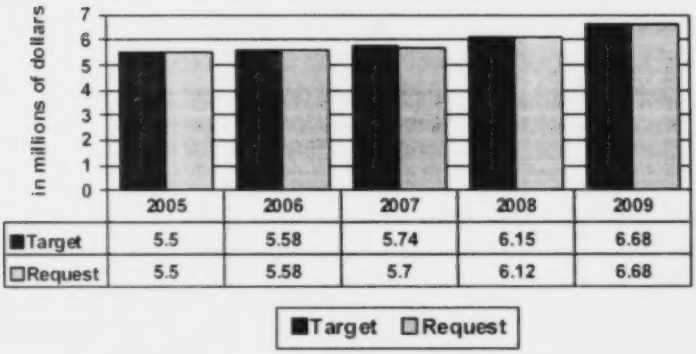
In our business plans for 2005 to 2009, we stated that we would absorb inflationary increases except for general salary and benefit increases that the Government gives to public servants. These targets do not include the net costs to audit agencies the Government creates or winds up.

Each year, the Government adds new government agencies that increase our workload and winds up government agencies that reduce our workload. These changes to our workload affect our costs. Our business and financial plans provide lists of the new and wound up government agencies and their impact on our costs.

Exhibit 8 shows our targets and actual requests for resources for the last five years. The exhibit shows our actual requests were equal to or lower than our target each year.

Exhibit 8

Target and Actual Request for Resources to carry out our work



	2005	2006	2007	2008	2009
Target	5.5	5.58	5.74	6.15	6.68
Request	5.5	5.58	5.7	6.12	6.68

To manage our largest cost (salaries), we expect to use our employees' time according to our planned times set out in our *2008 Business and Financial Plan*.

Pages 57 to 59 show the actual use of our employee's time compared with our planned use. The actual information for 2006, 2007, and 2008 is audited. Our auditor reported on page 56 that the information is reliable.

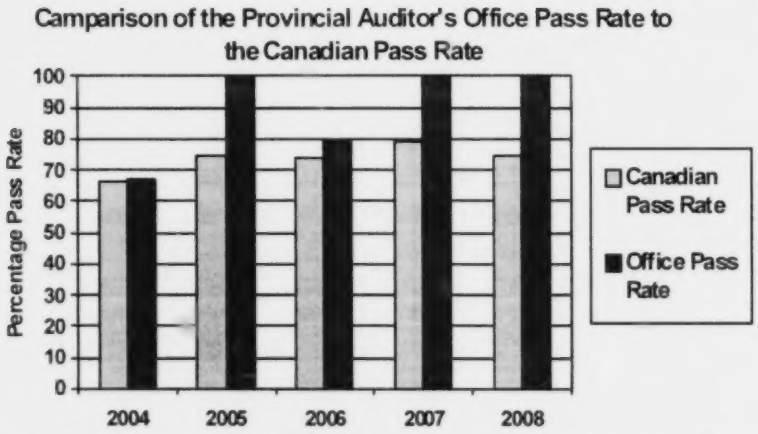
For the most part during 2008, we used our employees' time as planned. On page 61, we explain significant differences between planned and actual time.

Developing trained professionals

We are a training office for people who want to become professional accountants. One of our measures of success is the number of employees who pass the uniform final examinations to become Chartered Accountants. Our performance target is to exceed the national pass rate.

Exhibit 9 shows the percentage of our employees who passed the uniform final examinations for each of the last five years compared to the Canadian pass rate.

Exhibit 9



The exhibit shows our pass rate exceeds the national pass rate for the last five years.

We also train staff who want to become Certified Management Accountants (CMA) or Certified General Accountants (CGA).

Employees' satisfaction with their working environment

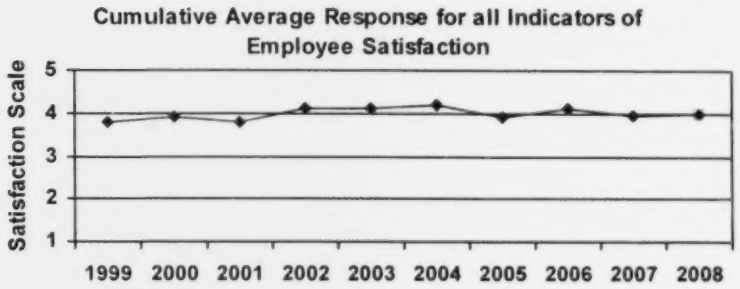
We want our employees to have a good working environment. We survey employees on satisfaction annually. The survey provides employees an opportunity to express their level of satisfaction with 13 key indicators of the Office's working environment.

We have surveyed employees for 15 years. For 2008, 90% of staff responded to the survey (2007 - 84%). The survey results continue to show a positive level of satisfaction with the Office's working environment. Our survey uses a rating scale of one through five where five is the most positive response. This year, the survey results had an average response of four for all of the indicators.

Exhibit 10 shows the 10 year trend for the average response for all indicators. Our performance target is that employees are satisfied with their working environment. The exhibit shows employee satisfaction has increased very slightly over the past year.

For 2008, we had the results for this performance target audited. The auditor reported that the performance information is reliable. We include the auditor's report and schedule on pages 62 to 65.

Exhibit 10



Our stakeholders need assurance on our performance

The Assembly requires an audit of our Office. The auditor has the same audit responsibilities as our Office. We use the auditor's reports on our Office as key indicators of our success. Our performance target is that the auditor reports positively on the reliability of our financial statements, our compliance with *The Provincial Auditor Act*, the adequacy of our financial management systems and practices, and the reliability of one of our key non-financial indicators per year. In 2008, six of our non-financial indicators were audited.

In this report, we provide the Assembly with the auditor's reports. On pages 41, 68, and 69, the auditor reports that our financial statements are reliable, we complied with the Act, and we had adequate financial management systems and practices. Also, on page 62, the auditor reports that our performance information for Goal 1 and Goal 3, Objective 1 and 3 is reliable. On page 70, the auditor reports that there are no significant matters to report to the Assembly.

Financial Highlights

Discussion and analysis of our financial affairs

This discussion and analysis should be read with our audited financial statements on pages 42 to 49.

For 2008, we requested an appropriation of $6,124,000 and a contingency appropriation of $392,000 from the Assembly. Our 2008 Business and Financial Plan includes a discussion of the amounts requested.

Our discussion and analysis includes explanations of significant variances. We analyze expenses compared to the prior year. We also analyze expenses compared to budget.

Total operating expenses of $6,299,000 for 2008 were about $322,000 more than 2007. The increase relates primarily to increases in salary and benefit costs offset by decreasing agent and advisory services.

Salary and benefit costs increased by $464,000 in 2008 compared to 2007. In 2008, we had 58 salaried staff compared to 57 in 2007. Our 2008 budget anticipated an increase in our salary and benefits costs of $233,000 over 2007 to respond to increases planned by the Government for its employees. As described below, salary and benefit costs increased by a further $184,000 as a result of providing the additional general increases that the Government provided to its employees, which were announced after the 2008 budget was prepared.

Agent and advisory services decreased by $181,000 in 2008 compared to 2007. In 2008, we required assistance from one contracted staff compared to two contracted staff in 2007.

Our total operating expenses were $186,000 more than anticipated in our 2008 budget. Our 2008 budget anticipated a decrease in our use of agent and advisory services and an increase to salaries and benefits. We planned to use 57 salaried staff and 2 contracted staff in 2008 to maintain our workforce at 59 full-time equivalent (FTE) positions. As described above, we maintained 58 salaried staff and 1 contracted staff. The difference in our budget and actual costs for salary, benefits and agent and advisory services show this change. As described below, our salary and benefit costs were also impacted by unplanned increases.

We used $151,000 of the contingency appropriation in 2008. The money was spent for unplanned general salary and benefit increases as follows:

- The Government gave its employees a general salary increase of 3.5% effective July 1, 2007 in addition to the previously announced 2.6%. We included the known general increase of 2.6% in our 2008 plan. We gave our employees a general increase of 6.1% effective July 1, 2007. Salary and benefit costs for 2008 increased by $115,000 due to the unplanned 3.5% general salary increase.

- The Government gave its employees a retroactive payment of $1,000 per employee effective July 1, 2007. We gave our employees this payment effective July 1, 2007 increasing our salary costs for 2008 by $54,000.

- The Government implemented a flexible benefit program for out-of-scope employees during 2008. We implemented a similar program for our senior employees increasing our benefit costs for 2008 by $15,000.

The increase to salary and benefits were offset by a decrease in our vacation payable at March 31, 2008 of $33,000. In 2008, staff were encouraged to take their unused vacation entitlements from previous years.

The transfer to the General Revenue Fund of $267,000 includes the return of unused appropriations and other revenue as required by *The Provincial Auditor Act*.

The cost of our work is directly influenced by the types and amount of revenue and expense of the Government, the number of government agencies, the quality of the Government's records, the co-operation that we receive, and changing professional standards. Based on the information we knew about these factors at October 31, 2007, our request for resources from the Assembly for 2009 is $6,677,000 and $438,000 for a contingency appropriation. Our 2009 Business and Financial Plan includes a discussion of the amounts requested.

The Legislative Assembly expects all Government agencies to provide a list of persons who have received money. Pages 88 and 89 show a list of persons who provided goods and services to the Office. The information in the list is similar to the information reported for government agencies in Volume II of the Public Accounts.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements, included in the Annual Report on Operations of the Provincial Auditor Saskatchewan for the year ended March 31, 2008, are the responsibility of management of the Office. Management has prepared the financial statements in accordance with Canadian generally accepted accounting principles. Management is responsible for the reliability and integrity of the financial statements and other information contained in the Annual Report on Operations. The financial information presented elsewhere in this annual report is consistent with that in the financial statements.

To ensure the relevance and reliability of the financial data, management maintains a comprehensive system of internal controls including an appropriate code of conduct, written policies and procedures, and an organizational structure that segregates duties. These measures provide reasonable assurance that transactions are recorded and executed in compliance with legislation and required authority, that assets are properly safeguarded, and that reliable financial records are maintained. The Office's processes for safeguarding public resources, preparing reliable financial reports, and compliance with legislation have been audited by the firm of Virtus Group LLP. Their reports to the Members of the Legislative Assembly, stating the scope of their examinations and opinions on the Office's management processes and compliance with the legislation, appear on pages 68 and 69.

Virtus Group LLP audited the financial statements. Their report to the Members of the Legislative Assembly, stating the scope of their examination and their opinion on the financial statements, appears on page 41.

Fred Wendel, CMA, CA
Provincial Auditor

Brian Atkinson, FCA
Assistant Provincial Auditor

May 28, 2008
Regina, Saskatchewan

AUDITORS' REPORT

To the Members of the Legislative Assembly
of Saskatchewan

We have audited the statement of financial position of the Office of the Provincial Auditor as at March 31, 2008 and the statements of operations, change in net debt, and cash flows for the year then ended. These financial statements are the responsibility of the Office of the Provincial Auditor. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Office of the Provincial Auditor as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Virtus Group LLP

May 28, 2008
Regina, Saskatchewan

Chartered Accountants

Statement 1

OFFICE OF THE PROVINCIAL AUDITOR
STATEMENT OF FINANCIAL POSITION
As at March 31
(thousands of dollars)

	2008	2007
Financial assets		
Cash and cash equivalents (Note 3)	$ 394	$ 370
Accounts receivable	1	12
	395	382
Liabilities		
Accounts payable	87	195
Accrued vacation pay	64	97
Due to the General Revenue Fund	244	90
	395	382
Net debt	---	---
Non-financial assets		
Tangible capital assets (Note 4)	95	98
Prepaid expense	58	79
	153	177
Accumulated surplus	$ 153	$ 177

(See accompanying notes)

Statement 2

OFFICE OF THE PROVINCIAL AUDITOR
STATEMENT OF OPERATIONS
For the Year Ended March 31
(thousands of dollars)

	2008		2007
	Budget (Note 5)	Actual	Actual
Revenue			
General Revenue Fund			
- Appropriation	$ 6,124	$ 6,124	$ 5,695
- Contingency appropriation	392	392	359
Other (Note 6)	24	26	27
Total revenue	6,540	6,542	6,081
Expense			
Salaries	4,045	4,264	3,889
Employee benefits (Note 7)	653	705	616
Administration	555	598	558
Rent of space and equipment	377	365	363
Agent and advisory services	323	219	400
Training and development	160	148	151
Total operating expense	6,113	6,299	5,977
Transfer to General Revenue Fund (Note 8)	416	267	113
Total expense	6,529	6,566	6,090
Annual surplus (deficit)	$ 11	(24)	(9)
Accumulated surplus, beginning of year		177	186
Accumulated surplus, end of year		$ 153	$ 177

(See accompanying notes)

Statement 3

OFFICE OF THE PROVINCIAL AUDITOR
STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31
(thousands of dollars)

	2008	2007
Annual surplus (deficit)	$ (24)	$ (9)
Acquisition of tangible capital assets	(75)	(60)
Amortization of tangible capital assets	78	85
	3	25
Acquisition of prepaid expense	(58)	(79)
Use of prepaid expense	79	63
	21	(16)
(Increase) decrease in net debt	---	---
Net financial assets (debt), beginning of year	---	---
Net debt, end of year	$ ---	$ ---

(See accompanying notes)

Statement 4

OFFICE OF THE PROVINCIAL AUDITOR
STATEMENT OF CASH FLOWS
For the Year Ended March 31
(thousands of dollars)

	2008	2007
Operating transactions		
Cash received from:		
General Revenue Fund		
Appropriation	$ 6,124	$ 5,695
Contingency appropriation	392	359
Fees and other	33	24
	6,549	6,078
Cash paid for:		
Salaries	4,297	3,928
Supplies and other	2,153	2,209
	6,450	6,137
Cash provided by operating transactions	99	(59)
Capital transactions		
Cash used to acquire tangible capital assets	(75)	(60)
Cash applied to capital transactions	(75)	(60)
Increase (decrease) in cash and cash equivalents	24	(119)
Cash and cash equivalents, beginning of year	370	489
Cash and cash equivalents, end of year (Note 3)	$ 394	$ 370

(See accompanying notes)

OFFICE OF THE PROVINCIAL AUDITOR
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2008

1. General Information

The Provincial Auditor Act establishes the Office of the Provincial Auditor. The Office is part of the Legislative Branch of Government. The Office:

- examines the administration of government programs and activities carried out by government ministries, health and education institutions, commissions, boards, and Crown corporations
- reports the results of examinations to the Legislative Assembly and the public
- helps the Standing Committees on Public Accounts and Crown and Central Agencies in their review of the Provincial Auditor's reports, the Public Accounts, and other reports

2. Summary of Accounting Policies

The Office uses Canadian generally accepted accounting principles to prepare its financial statements. The following accounting principles are considered to be significant.

(a) Basis of Accounting

The financial statements are prepared using the expense basis of accounting.

(b) Revenue

The appropriation from the General Revenue Fund is recorded when receivable.

Other revenue is recognized on the basis of the percentage of work completed for those government agencies that have signed contracts to pay fees or have otherwise agreed to pay fees.

(c) Tangible Capital Assets

Tangible capital assets are reported at cost less accumulated amortization. Amortization is recorded on a straight-line basis at rates based on estimated useful lives of the tangible capital assets as follows:

Computer hardware	3 years
Computer software	3 years
Furniture (desks, file cabinets)	10 years
Other furniture	5 years
Other equipment	3 years

(d) Accrued Vacation Pay

The value of vacation entitlements earned to the year-end but not taken are recorded as a liability.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of interest-bearing money on deposit with the bank and short-term securities. Investments are carried at amortized cost which approximates market value. The interest rates range from 2.75 to 4.55%.

Cash and cash equivalents included in the cash flow statement are represented by:

	2008 (000's)	2007 (000's)
Cash	$ 394	$ 82
Short-term securities	—	288
Total cash and cash equivalents	$ 394	$ 370

4. Tangible Capital Assets

The recognition and measurement of tangible capital assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Office.

	2008 (000's)			2007 (000's)
	Hardware & Software	Furniture & Equipment	Total	Total
Opening costs	$ 396	$ 265	$ 661	$ 620
Additions during the year	61	14	75	60
Disposals during the year	64	6	70	18
Closing cost	393	273	666	662
Opening accumulated amortization	345	218	563	497
Annual amortization	63	15	78	85
Disposals	64	6	70	18
Closing accumulated amortization	344	227	571	564
Net book value	$ 49	$ 46	$ 95	$ 98

Annual amortization is included in Administration expense in the Statement of Operations.

5. Budget

The Budget is the General Revenue Fund appropriation requested from the Standing Committee on Public Accounts to discharge the Provincial Auditor's duties under *The Provincial Auditor Act*. The Committee recommended an appropriation of $6,516,000. The Budget included on Statement 2 is presented on the expense basis of accounting.

The Budget is requested using an expenditure basis of accounting where non-financial assets acquired in the period are recorded as expenditures. The 2008 Budget and Actual using the expenditure basis of accounting are as follows:

	2008 (000's)	
	Budget	Actual
Revenue		
General Revenue Fund:		
Appropriation	$ 6,124	$ 6,124
Contingency appropriation	392	392
Other	24	26
Total revenue	6,540	6,542
Expenditure		
Salaries	4,045	4,264
Employee benefits	653	695
Administration	566	578
Rent of space and equipment	377	364
Agent and advisory services	323	219
Training and development	160	155
Total operating expenditure	6,124	6,275
Transfer to General Revenue Fund	416	267
Total expenditure	6,540	6,542
Excess of revenue over expenditure	$ ---	$ ---

6. Other Revenue

The Provincial Auditor Act requires that all fees charged and other revenues received by the Office be deposited to the General Revenue Fund. The transfer to the General Revenue Fund of $267,285 (2007 - $113,320) includes fees and other revenues of $26,488 (2007 - $26,750). See Note 8.

7. Pension Plan

The Office participates in a defined contribution pension plan for the benefit of its employees. The Office's financial obligation to the plan is limited to making regular payments of 7.1% of employees' salaries for current service. The Office's annual pension expense for 2008 was $287,480 (2007 - $255,294).

8. Transfer to General Revenue Fund

The Provincial Auditor Act requires that all fees charged and other revenues received by the Office be deposited to the General Revenue Fund. The Act also requires that any unspent appropriations be returned to the General Revenue Fund. The $267,285 transfer (2007 - $113,320) includes fees, other revenues, and the Office's unspent appropriations.

9. Financial Instruments

The Office's financial instruments include short-term securities, accounts receivable, accounts payable, and accrued vacation payable. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no significant interest rate and credit risk.

10. Commitments

During the year ended March 31, 2002, the Office and its landlord made a new lease whereby the Office agreed to rent the premises for ten years commencing April 1, 2002. Annual lease payments are $329,678 before escalation adjustments.

The Office is also committed to make future annual payments for operating leases and professional service contracts of:

Year ending March 31	Amount (000's)
2009	$ 144
2010	$ 103
2011	$ 8

Supporting Schedules and Reports

AUDITORS' REPORT

To the Members of the Legislative Assembly
of Saskatchewan

We have audited the Schedule of Actual Costs to Audit Government Agencies for the period as described in note 1, which is prepared in accordance with accounting principles as set out in the notes to the schedule of financial information. This schedule of financial information is the responsibility of the Office of the Provincial Auditor. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with standards for assurance engagements established by The Canadian Institute of Chartered Accountants. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, this schedule presents fairly, in all material respects, the actual costs to audit government agencies for the period as described in note 1 in accordance with the accounting principles set out in the notes to the schedule of financial information.

Virtus Group LLP

May 28, 2008
Regina, Saskatchewan

Chartered Accountants

Office of the Provincial Auditor
Schedule of Actual Costs to Audit Government Agencies

Government Agency	2008 Planned Costs (Note 5)	2008 Actual Costs		2009 Planned Costs (Note 5)
		($ Thousands)		
Department of Advanced Education and Employment	$ 645	$ 613 *	(1)	$ 776
Department of Agriculture and Food	268	255 *		273
Department of Community Resources	190	166 *		185
Department of Corrections and Public Safety	75	98 *		32
Department of Culture, Youth and Recreation	139	156		181
Department of Environment	183	192		194
Department of Finance	716	649 *	(2)	784
Department of First Nations and Métis Relations	35	35		37
Department of Government Relations	93	115		99
Department of Health	799	677 *	(3)	900
Department of Highways and Transportation	95	84		125
Department of Industry and Resources	97	88		131
Department of Justice	232	229 *		283
Department of Labour	18	21		20
Department of Learning	133	146 *		184
Department of Northern Affairs	31	29		30
Department of Property Management	102	110		122
Department of Regional Economic and Co-operative Development	27	21		29
Crown Investments Corporation of Saskatchewan	140	143 *		109
Executive Council	27	27		29
Information Services Corporation of Saskatchewan	14	9 *		57
Information Technology Office	69	42 *		24
Legislative Assembly	56	52		62
Municipal Financing Corporation of Saskatchewan	2	2		2
Public Service Commission	47	19		59
Saskatchewan Development Fund Corporation	5	3		5
Saskatchewan Gaming Corporation	105	102		111
Saskatchewan Government Growth Fund Management Corporation	22	17 *		23
Saskatchewan Government Insurance Corporation	150	119 *		80
Saskatchewan Liquor and Gaming Authority	317	317		354
Saskatchewan Opportunities Corporation	7	8		7
Saskatchewan Power Corporation	80	55 *		79
Saskatchewan Research Council	124	142		133
Saskatchewan Safety Council	19	25 *		20
Saskatchewan Telecommunications Holding Corporation	60	55 *		129

(see accompanying notes)

Office of the Provincial Auditor
Schedule of Actual Costs to Audit Government Agencies
(continued)

Government Agency	2008 Planned Costs (Note 5)	2008 Actual Costs		2009 Planned Costs (Note 5)
		($ Thousands)		
Saskatchewan Transportation Company	$ 8	$ 6		$ 16
Saskatchewan Water Corporation	15	8	*	16
SaskEnergy Incorporated	58	45	*	64
Workers' Compensation Board	51	41	*	80
Government-Wide, Sectoral, and Special Issue Work	406	319	* (4)	327
Legislative Committees and Public Reports	464	426		506
TOTAL	$6,124	$5,666		$6,677
* Costs remaining to complete audits not complete at March 31, 2008	--	316		--
TOTAL	$6,124	$5,982		$6,677

(see accompanying notes)

In Part I of our discussion and analysis, on page 60, we discuss footnotes (1) to (4).

Office of the Provincial Auditor
Notes to the Schedule of Actual Costs to Audit Government Agencies

1. Purpose

This schedule shows the Office's actual costs, up to March 31, 2008, of auditing the various agencies of the Government for their years ending in the period January 1, 2007 to December 31, 2007 compared to the planned costs for that period. The schedule also shows the planned costs for auditing the various agencies of the Government for their years ending in the period January 1, 2008 to December 31, 2008.

2. Definitions

The following definitions are provided to help understand our cost allocation policies.

Total Costs - This is the total operating expenditure reported in our audited financial statements (see page 48).

Audit hour - This is the time employees spend on the audits set out in the detailed work plans in our Business and Financial Plans.

Cost-per-hour - This is the hourly rate for an audit hour for each employee as set by the Office. (See Note 3.)

Direct costs - These are costs other than salaries that are directly related to specific audits (e.g. employees' travel costs).

Actual costs - These costs are determined by multiplying employees' audit hours times employees' costs-per-hour and adding to that result direct costs.

Average cost-per-audit hour - This is the total costs for the year less direct costs divided by the total audit hours for all employees for the year.

3. Cost Allocation Policies

The Office allocates its total costs each year to the audits carried out during the year. Direct costs are charged directly to the relevant audit. For all other costs, the Office uses reported audit hours set out in employee time sheets as the basis of allocation.

The cost-per-hour is based on the employee's pay and benefits and a portion of other costs (rent, office administration and support services) allocated based on the office's

expected time on audit activities. The cost-per-hour is adjusted periodically to reflect changing employee and office-wide circumstances.

The reported actual costs for each audit in the Schedule is determined by multiplying employees' audit hours for the relevant audit times the employees' costs-per-hour and adding to that result direct costs for that audit.

4. Additional Information

The Office's actual average cost-per-hour for 2008 is $95.27 (2007 - $89.13).

The Office's total actual direct costs for 2008 are $172,543 (2007 - $149,419).

The footnotes in the Schedule reference to the Management Discussion and Analysis on page 60. That information is unaudited.

Government agencies have various fiscal year ends (e.g., March 31, June 30, December 31). Due to the nature of auditing, some audit activity occurs before the government agencies' fiscal year ends; while other audit activity occurs after their year ends. As a result, employees' audit activities during our fiscal year relate to more than one fiscal year of a government agency.

Table 1 shows the actual costs of the audit activity we carried out during 2008 by the relevant fiscal year-ends of government agencies. Table 2 shows the years we incurred the costs to audit government agencies for years ending in the period January 1, 2007 to December 31, 2007.

Table 1
Total Costs for 2008
Allocated to Relevant Fiscal Year-ends of Government Agencies

Relevant Fiscal Year-ends	Costs Allocated ($ Thousands)
January 1, 2008 to December 31, 2008	$1,362
January 1, 2007 to December 31, 2007	4,350
January 1, 2006 to December 31, 2006	489
January 1, 2005 to December 31, 2005	74
Total Costs	$6,275

Table 2
Actual Costs to Audit Government Agencies
for Their Years Ending in the Period January 1, 2007 to December 31, 2007
by the Year We Incurred the Costs

Year We Incurred Costs	Actual Costs ($ Thousands)
April 1, 2007 to March 31, 2008	$4,350
April 1, 2006 to March 31, 2007	1,316
Total Actual Costs Incurred	$5,666

5. Planned Costs

The planned costs set out in the Schedule are those presented to the Standing Committee on Public Accounts in the Office's 2008 Business and Financial Plan and 2009 Business and Financial Plan.

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan

We have audited the Schedule of Actual Time Employees Spend on Tasks for the year ended March 31, 2008, which is prepared in accordance with the principles set out in the notes to the schedule of statistical information. This schedule of statistical information is the responsibility of the Office of the Provincial Auditor. Our responsibility is to express an opinion on this information based on our audit.

We conducted our audit in accordance with standards for assurance engagements established by The Canadian Institute of Chartered Accountants. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the statistical information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statistical information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statistical information.

In our opinion, this schedule presents fairly, in all material respects, the actual time employees spend on tasks for the year ended March 31, 2008, in accordance with the accounting principles set out in the notes to the schedule of statistical information.

Virtus Group LLP

May 28, 2008
Regina, Saskatchewan

Chartered Accountants

Office of the Provincial Auditor
Schedule of Actual Time Employees Spend on Tasks
for the Period April 1, 2005 to March 31, 2008

	Actual			Planned	
Employee time	**2006**	**2007**	**2008**	**2008**	**2009**
Working hours	86%	84%	83%	84%	85%
Vacation leave and statutory holidays	12% [1]	14% [1]	15% [1]	14% [1]	13%
Sick leave	2%	2%	2%	2%	2%
Total paid hours	100%	100%	100%	100%	100%
Working hours tasks					
Audits	69% [2]	69% [2]	67%	67%	68%
Support services	12%	12%	12%	12%	11%
Office administration	12%	12%	13%	12%	12%
Training	7% [2]	7% [2]	8%	9%	9%
Total work hours	100%	100%	100%	100%	100%
Total full time equivalent positions	56	59	59	59	60

(see accompanying notes)

In Part II of our discussion and analysis, on page 61, we discuss footnotes (1) to (2).

Office of the Provincial Auditor
Notes to the Schedule of Actual Time Employees Spend on Tasks
for the Year Ended March 31, 2008

1. Purpose

This schedule shows employee tasks and the percentage of time that employees spent on these tasks. The schedule shows actual percentages for the years ended March 31, 2006 to March 31, 2008. The schedule also shows planned percentages for these tasks for the years ended March 31, 2008 and 2009.

2. Definitions

Working hours – This is the time available after deducting vacation leave, statutory holidays, and sick leave.

Vacation leave and statutory holidays – Employees receive paid vacation leave. Leave is based on years of service. Employees also receive 12 paid statutory holidays.

Sick leave – Employees receive paid sick leave. The amount of paid leave is based on years of service.

Total paid hours – This is the total of working hours, vacation leave and statutory holidays, and sick leave. Employees must account for a minimum of 1950 total paid hours per year to receive full pay.

Audit hours – This is the time employees spend on the audits set out in the Detailed Work Plan on pages 51 and 52. Audit hours does not include the time spent on support services, office administration, and training.

Support services – This is the time employees spend on accounting, computer maintenance and support, and other administrative support.

Office administration – This is time employees spend on human resource activities, internal committees and working groups, office-wide and group planning activities, and time that does not fall within any other working hours task category.

Training – This is time employees spend on staff development courses and seminars. The time includes both employee attendance time and instructor time when our employees instruct our internal courses.

Full-time equivalent positions – This represents the total paid months divided by twelve months.

3. Time Allocation Policies

Employees are required to record on timecards actual time spent on each task to the nearest quarter hour. The employees' supervisors approve the employees' timecards. The Office uses the information from the timecards to pay employees and to monitor employees' performance. The Office also uses this information to determine the actual costs to audit government agencies.

4. Planned Time

The percentages of planned time for 2008 set out in the Schedule are those presented to the Standing Committee on Public Accounts in the Office's *2008 Business and Financial Plan*. The percentages of planned time for 2009 set out in the Schedule are those presented to the Standing Committee on Public Accounts in the Office's *2009 Business and Financial Plan*.

Discussion and Analysis

Part I – Schedule of Actual Costs to Audit Government Agencies

Explanation of differences between actual costs and planned costs more than $50,000.

(1) ***Department of Advanced Education and Employment*** – Our 2008 actual costs are approximately $32,000 less than planned. To complete all of our work would cost a further $82,000. As a result, our 2008 actual costs are approximately $50,000 more than planned. Our costs for the audit of the University of Saskatchewan were $47,000 more than planned due to the restatement of the financial statements.

(2) ***Department of Finance*** – Our 2008 actual costs are approximately $67,000 less than planned. To complete all of our work would cost a further $9,000. As a result, our 2008 actual costs are approximately $58,000 less than planned. Our costs for the audits of the Summary Financial Statements and General Revenue Fund were less than planned ($18,000) due to fewer accounting issues requiring research. Our costs to audit the Department of Finance were less than planned ($22,400) due to efficiencies realized through use of an experienced audit team on the various audit work within the Department. Also, our costs to audit the Public Service Superannuation Board were less than planned ($18,500) due to the Board not undertaking complete valuations in the year.

(3) ***Department of Health*** – Our 2008 actual costs are approximately $122,000 less than planned. To complete all of our work would cost a further $73,000. As a result, our 2008 actual costs are approximately $49,000 less than planned. Our costs for the audits of the Saskatchewan Health Information Network Corporation (SHIN) and the regional health authorities were $31,000 less than planned due to fewer accounting issues requiring research and fewer control problems found requiring less investigation. Our audit of food industry inspector processes cost $12,000 less than planned because the systems were not as complex as anticipated.

(4) ***Government Wide, Sectoral and Special Issue Audits***– Our 2008 actual costs are approximately $87,000 less than planned. To complete all of our work would cost a further $37,000. As a result, our 2008 actual costs are approximately $50,000 less than planned. Our 2008 planned costs included work to assist the CCAF in a project it planned to conduct to document how Saskatchewan government departments were implementing the CCAF's reporting principles. The CCAF did not proceed with the project, reducing our costs by $26,000.

Part II Schedule of Actual Time Employees Spend on Tasks

Explanations of statistical differences in the use of employee time.

1. Our vacation leave and statutory holidays are similar to those provided to employees in the public service. 2006 reflects one less statutory holiday (Easter) for the period. 2007 reflects one more statutory holiday (Family Day) for the period. 2008 reflects two more statutory holidays (Easter and Family Day) for the period. In 2008, staff were encouraged to take their unused vacation entitlements from previous years.

2. Time spent on audits increased during 2006 and 2007 due to special investigations and additional audits not known when time allocation was originally planned. As a result, some management and specialist training was deferred.

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan

We have audited the Schedule of Performance Information for Six Performance Indicators of the Office of the Provincial Auditor reporting management's progress in achieving its stated objectives and performance targets for the year ended March 31, 2008, which is prepared in accordance with the reporting principles set out on page 63. The Schedule is the responsibility of the Office of the Provincial Auditor. Our responsibility is to express an opinion on the Schedule based on our audit.

We conducted our audit in accordance with standards for assurance engagements established by The Canadian Institute of Chartered Accountants. Those standards require that we plan and perform an audit to obtain reasonable assurance that the information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the information and related disclosures. An audit also includes assessing the reporting principles used and significant judgments made by management, as well as evaluating the overall presentation of the information.

In our opinion, this schedule presents fairly, in all material respects, the Office of the Provincial Auditor's progress towards achieving stated objectives and performance targets in accordance with the above reporting principles.

Virtus Group LLP

May 28, 2008
Regina, Saskatchewan

Chartered Accountants

MANAGEMENT'S REPRESENTATION ON THE SCHEDULE OF PERFORMANCE INFORMATION FOR SIX PERFORMANCE INDICATORS

We prepared the performance information in accordance with the following principles:

The performance information is relevant. It is related to stated objectives and performance targets and enables an assessment of our progress towards achieving the objectives and targets. It shows how we achieved the results and how we measured our progress towards the performance targets.

The performance information is reliable. It is based on data that are accurate, complete, and available over a long period of time and at a reasonable cost. It is derived from data that is fair and unbiased and capable of being replicated by independent and knowledgeable observers.

The performance information is understandable. It provides the level of detail needed to enable a proper understanding of performance and is limited to a key set of performance measures that are comparable over time and aggregated at appropriate and meaningful levels.

Fred Wendel, CMA, CA
Provincial Auditor

Brian Atkinson, FCA
Assistant Provincial Auditor

Regina, Saskatchewan
May 28, 2008

Schedule of Performance Information For Six Performance Indicators For the Year Ended March 31, 2008

Goal 1:

Foster well-managed Government

Objectives:

1.1 Our stakeholders value our assurance and advice to strengthen the Government's accountability to the Assembly.

1.2 Our stakeholders value our assurance and advice to strengthen the Government's processes to achieve intended results.

Target	Result	Discussion
Measure: The Government's action on our recommendations that do not involve major changes.		
80% of our recommendations that do not involve major changes are acted on	91% (2007 – 93%)	We achieved our target. The results for 2008 are based on all recommendations that are more than one year old and do not involve major changes made in the period April 2003 to March 2008.
Measure: The Government's action on our recommendations that involve major changes.		
80% of our recommendations that involve major changes are acted on	92% (2007 – 89%)	We achieved our target. The results for 2008 are based on all recommendations that are more than five years old and involve major changes made in the period April 1998 to March 2008.
Measure: The Legislative Assembly's acceptance of our recommendations.		
90% of our recommendations that are considered by the Legislative Assembly are accepted	99% (2007 – 97%)	We achieved our target. The results for 2008 are based on all our recommendations made in the period April 2003 to March 2008 and reported on by the Standing Committees on Public Accounts and Crown and Central Agencies.

Goal 3:

Manage our business effectively

Objectives:

3.1 Our stakeholders understand and value what we do.
3.2 We continuously improve our work.
3.3 We embrace our guiding principles

Target	Result	Discussion
Measure: Agencies' responses to post-audit satisfaction questionnaires.		
Agencies are satisfied with our work	Agencies are satisfied (2007 – Agencies are satisfied)	We achieved our target. During the period April 2003 to March 2008 we sent 272 surveys to agencies and received 151 responses. Overall, agencies continue to tell us they are satisfied with our work as it relates to the following four areas: responsiveness, professionalism, reports, and recommendations.
Measure: Our students' success in professional accounting programs.		
Exceed the national pass rate	National 75% Our students 100% (2007 – National 79% Our students 100%)	We achieved our target.
Measure: Employee responses to corporate culture surveys.		
Employees are satisfied with our working environment	Employees are satisfied (2007 – Employees are satisfied)	We achieved our target. The results for 2008 are based on an annual employee survey. Employees express satisfaction with 13 key indicators of the Office's working environment.

Inspection Report

Chartered
Accountants
of Saskatchewan

The Institute of Chartered
Accountants of Saskatchewan
630 - 1801 Hamilton Street
Regina, Saskatchewan
S4P 4B4
Tel: (306) 359-1010
Fax: (306) 569-8288

Fred Wendel, CA,CMA
Provincial Auditor
Provincial Auditor Saskatchewan
1920 Broad St., Ste. 1500
REGINA, SK S4P 3V7

March 29, 2004

Dear Mr. Wendel

Practice Inspection # 2408

As part of the reporting and review procedures for your inspection, I am providing you with the following comments on the results of the inspection and have included a typed copy of files reviewed and points for discussion.

The report will be reviewed by the committee at their next meeting. A final report will be sent to you after it has been considered by the committee.

Financial statement presentation

There were no reportable items.

File Documentation

There were no reportable items.

I thank you for the co-operation and courtesy extended during the visit and please call if you wish to discuss these matters further.

Sincerely,

Gary Erickson, FCA
Director of Practice Appraisal

/ge

encl.

"Strength Beyond Numbers"

Chartered
Accountants
of Saskatchewan

The Institute of Chartered
Accountants of Saskatchewan
830 - 1801 Hamilton Street
Regina, Saskatchewan
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Fred Wendel, CA,CMA
Provincial Auditor
Provincial Auditor Saskatchewan
1920 Broad St., Ste. 1500
REGINA, SK S4P 3V7

May 31, 2004

Dear Mr. Wendel:

Practice Appraisal # 2408

At their meeting of May 20, 2004 the Practice Appraisal Committee reviewed the report relating to the inspection of your firm which was completed earlier.

The committee asked that I advise that it has no additional comments to add and no further action will be required .

The committee reminds you that consistent with the educational purpose of the Practice Inspection program, reviews are carried out with the objective of determining if a member firm has policies and procedures in place that would enable it to provide public accounting services in accordance with the standards of the profession. This is accomplished by reviewing responses to quality control questionnaires completed by the firm, by reviewing a selection of files and by discussion with partners of the firm.

The review process is not intended to provide any assurance on the files and financial statements prepared by the firm.

Once again I thank you for the courtesy and co-operation extended during my visit.

Sincerely,

Gary Erickson, FCA
Director of Practice Inspection

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no further action.doc

"Strength Beyond Numbers"

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan

Introduction

We have audited the Office of the Provincial Auditor's control as of March 31, 2008 to express an opinion as to the effectiveness of its control related to the following objectives.

- To safeguard public resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan to achieve its goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- To prepare reliable financial reports.
- To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

We used the control framework developed by The Canadian Institute of Chartered Accountants (CICA) to make our judgements about the effectiveness of the Office of the Provincial Auditor's control. We did not audit certain aspects of control concerning the effectiveness, economy, and efficiency of certain management decision-making processes.

The CICA defines control as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives reliably.

The Office of the Provincial Auditor's management is responsible for effective control related to the objectives described above. Our responsibility is to express an opinion on the effectiveness of control based on our audit.

Scope

We conducted our audit in accordance with standards for assurance engagements established by The Canadian Institute of Chartered Accountants. Those standards require that we plan and perform an audit to obtain reasonable assurance as to effectiveness of the Office of the Provincial Auditor's control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

Conclusion

In our opinion, the Office of the Provincial Auditor's control was effective, in all material respects, related to the objectives stated above as of March 31, 2008 based on the CICA criteria of control framework.

Limitations

Control can provide only reasonable not absolute assurance of achieving objectives reliably for two reasons. First, there are inherent limitations in control including judgement in decision-making, human error, collusion to circumvent control activities and management overriding control. Second, cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance not absolute assurance, the objectives referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or the degree of compliance with control activities may deteriorate.

Virtus Group LLP

May 28, 2008
Regina, Saskatchewan

Chartered Accountants

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan

We have made an examination to determine whether the Office of the Provincial Auditor complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding of assets, spending, revenue-raising, borrowing and investing activities during the year ended March 31, 2008:

The Provincial Auditor Act

Our examination was made in accordance with standards for assurance engagements established by The Canadian Institute of Chartered Accountants, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the Office of the Provincial Auditor has complied, in all material respects, with the provisions of the aforementioned legislative and related authorities during the year ended March 31, 2008.

Virtus Group LLP

May 28, 2008
Regina, Saskatchewan

Chartered Accountants

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan

Re: Audit of the Office of the Provincial Auditor for the year ended March 31, 2008

We have completed the above noted audit and have issued our reports on the financial statements, internal controls and legislative compliance dated May 28, 2008.

In accordance with *The Provincial Auditor Act*, our responsibilities to report to the members of the legislative assembly also appear to include:

> **To report matters that, in our judgement, are significant** (exceptions/deficiencies), if any, which may impact the annual financial statements and related controls.

This report is based only on matters assessed and relied upon for purposes of our audit opinions on the office's financial statements, internal controls and legislative compliance. This form of report is referred to as a derivative report, i.e. it is derived from the process, procedures, and findings related to the audit.

Based on the above noted reporting requirements, we provide the following observations:

Governance and Management Control

No reportable matters identified.

Systems Control

No reportable matters identified.

Financial Statement Presentation and Disclosure

No reportable matters identified.

Other Matters

No reportable matters identified.

Detailed findings and observations with respect to internal controls, and/or financial statement presentation and disclosure are discussed with the Office's management during the course of and completion of our work.

Virtus Group LLP

May 28, 2008
Regina, Saskatchewan

Chartered Accountants

Summary of Our 2005 – 2009 Strategic Plan

Our goals and objectives

We have three goals. These are:

- foster well-managed government;
- encourage meaningful reporting by government; and
- manage our business effectively.

Pages 72 to 85 set out our goals and objectives for the period April 1, 2005 to March 31, 2009 for pursuing our mission. We also set out our strategies and action plans to manage the risks that might prevent us from achieving our objectives.

Pages 86 to 87 include a glossary of terms and abbreviations used in our strategic plan.

The indicators we use to measure our success in achieving our goals and objectives and our performance targets for these indicators are set out on pages 15 to 17.

Goals	Objectives	General strategies
1. Foster well-managed Government	1. Our stakeholders value our assurance and advice to strengthen the Government's accountability to the Assembly.	1. Work with significant agencies on their processes to strengthen the accountability of the government agencies they supervise.
		2. Encourage legislators to put in law sound accountability requirements for the Government starting in 2009.
		3. Advise legislators of the state of the Government's accountability to the Assembly.

Action plans
1. Keep informed of and share changes in accountability processes in other jurisdictions. 2. Work with Finance and Health to build capacity for results-based management. 3. Work with the Crown Investments Corporation of Saskatchewan (CIC) to further the successful implementation of the balanced score card system. 4. Work with Finance, CIC, and Health to explain the importance of our assurance on key performance reports (plans and results). 5. Encourage the use of the key elements of sound planning and reporting for the overall Government and for significant agencies. 6. Encourage significant agencies to ensure accountability to the Assembly in their agreements with others they supervise.
1. Advise legislators of new accountability legislation in other Canadian jurisdictions. 2. Promote the value of legislation to sustain accountability requirements.
1. Report on accountability arrangements that present the Government with significant risks (e.g., municipal governments, school boards, non-government agencies, public private partnerships, intergovernmental agencies). 2. Advise legislators of the impact of changes in key accountability arrangements to ensure they provide appropriate accountability to the Assembly. 3. Assess the adequacy of accountability in key agreements. 4. Provide input to the CICA on public sector accounting and auditing issues, and explain the impact to legislators, as needed. 5. By 2005, report to legislators on the state of the Government's overall accountability to the Assembly compared with other Canadian jurisdictions.

Goals	Objectives	General strategies
1. Foster well-managed Government	2. Our stakeholders value our assurance and advice to strengthen the Government's processes to achieve intended results.	1. Evaluate the Government's processes to achieve planned results including its governance and risk management processes.
		2. Assess the adequacy of the Government's processes to manage its human resources and infrastructure including information technology.
		3. Assess the adequacy of the management of key intergovernmental and interagency programs and initiatives.
		4. Advise legislators of the challenges in managing the key forces and trends affecting the Government.

Action plans
1. Examine the adequacy of the financial controls of government agencies. 2. Examine compliance with authorities by government agencies. 3. Examine the adequacy of processes used by the overall Government and significant agencies to manage key risks including delivery of services by other parties (e.g., school boards, non-government agencies).
1. Assess whether significant agencies have the key elements of a sound human resource plan. 2. Assess whether 2 significant agencies have adequate processes to implement succession plans. 3. Each operating group will assess the adequacy of agencies' management of significant infrastructure (e.g., health facilities, highways, energy distribution systems). 4. Assess the adequacy of controls for securing significant IT infrastructure (e.g. MIDAS, Community Net). 5. Assess the adequacy of cross-government processes to implement key information technology elements (e.g. IT governance and security). 6. Assess the adequacy of government agencies project management processes to implement significant systems.
1. Assess the adequacy of processes to manage key intergovernmental and interagency programs. 2. Assess whether significant agencies clearly set out adequate control expectations to the government agencies they supervise and have adequate controls to ensure expectations are carried out. (e.g. Health, Finance, CIC).
1. Report on the financial condition of the Government to help explain the economic constraints faced by the Government. 2. Encourage the Government to report on its assessment of its financial condition. 3. Encourage the Government to report on the key challenges to our tax base resulting from the key forces and trends. 4. Report on the key challenges faced by the Government: • In ensuring a professional public service for effective service delivery. • Resulting from the growing young Aboriginal population. • In ensuring a healthy and sustainable environment. • Resulting from the aging population. • Resulting from increasing retirements. • In managing the changing infrastructure needs resulting from rural depopulation.

Goals	Objectives	General strategies
2. Encourage meaningful reporting by Government	1. The Government provides useful summary plans and results to the Assembly.	1. Encourage key officials to improve the summary performance plan and reporting of results to the Assembly.
		2. Report areas for improving the summary performance plan and reporting of results.
	2. Significant agencies report their plans and results to the Assembly.	1. Assess key performance reports of significant agencies and sectors.
		2. Encourage significant agencies to include our legislative compliance opinion and an audited report on their financial controls in their annual report starting in 2009.

Action plans
1. Meet with key officials to discuss the benefits of improving summary performance plans and reporting of results. 2. Offer advice on processes to build capacity to improve the summary performance plan and reporting of results.
1. Starting in 2008, assess the summary performance plan and report of results against the CCAF reporting principles to identify areas for improvement. 2. Monitor status of performance plans and reporting of results in other Canadian jurisdictions. 3. Discuss with key officials and legislators the benefits of legislative committees reviewing the summary performance plan and reporting of results.
1. Assess annual reports of all significant agencies against all key principles each year starting in 2007. 2. Assess performance plans of significant agencies against all key principles every second year starting in 2007. 3. Assess plans and results of sectors, within a year of the plans and results becoming public. 4. Assess the guidance Finance, CIC, and Health provides to supervised agencies about key performance reports. 5. Assess whether 4 significant agencies have the ability to collect and analyze reliable performance information. 6. Encourage Finance to require Departmental financial statements and then provide them to the Assembly starting in 2009.
1. Work with Finance, CIC, and Health to encourage the inclusion of our legislative compliance opinion and an audited report on financial controls in the annual reports of agencies they supervise. 2. Identify significant agencies currently reporting control. 3. Discuss with government officials and legislators the benefits of including opinions on control in annual reports. 4. Monitor reporting of control opinions in other jurisdictions. 5. Monitor impact of changing standards related to reporting controls. 6. Encourage significant agencies to include an assessment of the effectiveness of their controls in their annual report.

Goals	Objectives	General strategies
2. Encourage meaningful reporting by Government	3. Our stakeholders value our timely assurance and advice on the Government's reports on plans and results.	1. Provide timely assurance on government agencies' financial reports.
		2. Inform legislators of the benefits of providing assurance on government agencies' performance reports.
		3. Encourage government agencies to seek our assurance on their performance reports.
		4. Provide timely assurance on government agencies' performance reports for non-financial information.
3. Manage our business effectively	1. Our stakeholders understand and value what we do.	1. Ensure we have the resources and access to the competencies necessary to respond to the risks faced by our stakeholders.

Action plans
1. Examine the reliability of the financial statements of the overall government and of all government agencies. 2. Deliver our reports on the results of our work to government officials within the agreed upon time frame. 3. Deliver timely public reports on the results of our work to the Legislative Assembly.
1. Report on the benefits of providing assurance on significant agencies' performance reports.
1. During the entry/exit meeting with significant agencies, encourage them to include an assurance report from our Office on their performance information.
1. Examine the reliability of key non-financial indicators included in the performance reports of 4 significant agencies. 2. Deliver our reports on the results of our work to government officials in the agreed upon time frame. 3. Deliver timely public reports on the results of our work to the Legislative Assembly.
1. Seek and monitor the views of our stakeholders on our plans and performance. 2. Prepare our resource proposals based on how we plan to respond to our risks and the risks faced by our stakeholders. 3. Clearly explain our resource proposals to PAC. 4. Maintain a competency-based framework for human resource management. 5. Maintain a sound human resource plan (including succession plan) that sets out required competencies and development plans. 6. Hire, train, and contract as expected in our human resource plan. 7. Use external experts as needed. 8. Use employee development plans and performance assessments to ensure we possess and maintain the necessary competencies. 9. Stimulate and support innovation.

Goals	Objectives	General strategies
3. Manage our business effectively	1. Our stakeholders understand and value what we do.	2. Provide relevant, reliable, and timely service at a reasonable cost.
		3. Maintain support for our recommendations.
		4. Communicate in a clear, accessible, and timely manner.

Action plans
1. Use a risk-based model to determine our work priorities.
2. Discuss audit requirements with government agencies at entry/exit meetings and document agreed upon requirements in our audit planning memoranda.
3. Complete audit work according to the audit planning memoranda. If necessary, explain any significant changes to the plan.
4. Complete our work according to professional standards.
5. Monitor our performance using feedback obtained from government agencies (e.g., Post Audit Questionnaires).
6. Monitor our planned and actual costs and manage the impact of any significant differences.
7. Maintain and monitor information about costs of similar service providers to benchmark our costs.
8. Pay our staff based on market conditions.
9. Determine the benefits of conducting audits with objectives focused on economy and efficiency.
1. Ensure our reports clearly explain deficiencies, consequences, and resulting recommendations.
2. Make clear presentations to boards, management, PAC, CCA, and the public.
3. Monitor acceptance of our recommendations.
4. Consider costs and benefits when making recommendations and set out recommendations in the context of key risks.
1. Share written key communication policies with staff.
2. Make our reports accessible to our stakeholders.
3. Clearly explain our work and findings.
4. Strengthen our presentation skills.
5. Review current practice regarding timing and content of our public reports.
6. Monitor content of our public web site to ensure information is current and relevant.
7. Inform members of key legislative committees about the products and services that we deliver.
8. Prepare and distribute to our stakeholders a summary pamphlet outlining our role and the products and services that we deliver.

Goals	Objectives	General strategies
3. Manage our business effectively	1. Our stakeholders understand and value what we do.	5. Maintain our independence and objectivity.
	2. We are leaders in key areas of legislative auditing.	1. Enhance our leadership in the areas of auditing financial reporting, financial controls, risks, accountability, and compliance with related authorities.
		2. Develop and maintain special knowledge in the many diverse and complex businesses the Government manages.
		3. Offer our advice and training programs to others.
		4. Maintain current and effective methodology.

Action plans
1. Promote the basic principles for legislative auditors (e.g., refer to CCOLA document).
2. Explain our independence to our stakeholders.
3. Identify and respond to initiatives that might affect our independence.
4. Make staff aware of our need to be and appear to be independent (through objectivity policies).
5. Develop and implement a policy for the rotation of key personnel on audits.
1. Maintain and enhance our internal training program using CCOLA resources when appropriate.
2. Pursue external training and development opportunities.
3. Participate on provincial and national committees (e.g. CCOLA, CICA, ICAS, IIA).
4. Keep our practices current by using our Practice Review Committee.
5. Use quality control processes to maintain consistent practices.
6. Monitor external organizations for risk management practices (e.g. Conference Board of Canada, CCAF, CICA, Australian Audit Office).
7. Be responsive to the impact of potential changes in professional assurance standards for reporting on financial control.
8. Seek opportunities, provincially and nationally, to make presentations and lead discussions in key areas of legislative auditing.
1. Maintain relevant specialities.
2. Ensure succession of key specialists on an ongoing basis.
3. Enhance knowledge transfer for complex audits and key government functions.
4. Allocate resources to enhance transfer of knowledge.
1. Offer advice and training to our professional colleagues (CCOLA, appointed auditors).
2. Offer advice and training program to government officials.
1. Monitor and learn from our experiences and the practices of our professional colleagues.
2. Challenge the status quo and ensure quality control .
3. Support CCOLA's quality assurance process for ensuring the adequacy of our methodology.
4. Encourage harmonization of methodology within CCOLA.
5. Support CCOLA in promoting the participation of legislative audit offices in the requirements of the Canadian Public Accountability Board.
6. Use the Professional Engagement Manual maintained by the CICA and CaseWare to document our audit work.

Goals	Objectives	General strategies
3. Manage our business effectively	2. We are leaders in key areas of legislative auditing.	5. Develop expertise in auditing performance management.
	3. We continuously improve our work.	1. Continue to strengthen and simplify our management information system.
		2. Continue to strengthen and simplify our administrative practices.
		3. Continue to strengthen and simplify how we plan, assess, and report our performance.
	4. We embrace our guiding principles.	1. We maintain a positive work environment.
		2. We maintain a healthy work environment.

Action plans
1. Monitor and learn from our experiences and the practices of our professional colleagues in other legislative audit offices. 2. Encourage transfer of knowledge and skills for auditing performance management throughout Office. 3. Support innovative audit approaches and sharing of experiences.
1. Ensure internal information systems (e.g., information centre, Intranet, databases) are responsive to staff's needs. 2. Improve the ability of staff to access our internal information when they are away from the office.
1. Encourage staff to search for and share efficiencies. 2. Acquire quality goods and services at the best prices. 3. Improve the efficiency of preparing and issuing our reports.
1. Prepare an annual business and financial plan. 2. Use a risk-based model to determine our audit priorities. 3. Continue to improve our risk-based model. 4. Report publicly our plans and the extent to which we have achieved our plans. 5. Continually assess the nature and scope of the assurances our auditor provides to legislators on our performance.
1. Respond to concerns and trends identified in our corporate culture surveys of our staff. 2. Use the performance management process to help ensure staff are adequately trained and provided with challenging and varied work. 3. Enhance an exit interview process for staff leaving the Office. 4. Promote two-way feedback on staff performance. 5. Use appropriate communication methods to advise others of key information and decisions. 6. Improve communication of Executive Committee's key decisions. 7. Adjust workloads to facilitate a balance between work, home, and community.
1. Address all recommendations of the Occupational Health and Safety Committee (OH&S) in a timely manner. 2. Facilitate safe work practices as defined by the Office.

Strategic Plan Glossary

Accountability – the ability to demonstrate responsible action and report performance in light of agreed-upon expectations.

Action plans – the activities, time lines, and resources to accomplish goals and objectives and to implement strategies. Our action plans are carried out annually during the four-year plan, except where a specific date is indicated. The costs of our action plans are reported annually to the Legislative Assembly in our Business and Financial Plan.

Agency – an entity of Government accountable for public money.

Assembly – the Legislative Assembly of Saskatchewan.

Assurance – the Provincial Auditor Saskatchewan issues a written communication expressing a conclusion concerning a subject matter for which an agency is responsible.

Best practices – professional procedures or actions that are efficient, economical, and effective in accomplishing the purpose intended. Best practices may meet or exceed generally accepted auditing standards or other minimum standards in creative ways using evolving technologies or new methods.

Business plan – an agency's planned operations for the fiscal year.

CCOLA – the Canadian Council of Legislative Officers is an organization devoted to sharing information and supporting the continued development of auditing methodology, practices and professional development in legislative auditing.

Competency-based framework – the framework used for human resource management and policy development that identifies the competencies necessary for our Office to be successful. Competencies are the elements our Office must know, be able to do, and attitudes we must possess.

Control – those elements of an agency (including its resources, systems, processes, culture, structure, and activities) that, taken together, support people in the achievement of the agency's objectives.

Financial plan – an agency's planned revenues and expenses for the fiscal year.

Goal – a general statement of desired results to be achieved over an unspecified period of time.

Governance – generally refers to the processes by which organizations are directed, controlled, and held to account, and is underpinned by the principles of openness, integrity, and accountability. Governance is concerned with structures and processes for decision making, accountability, control and behaviour at the top of organizations.[1]

Government – departments and Crown agencies as defined in *The Provincial Auditor Act*.

Guiding principles – the key values that are used to assist decision making.

[1] *Governance in the Public Sector: A Governing Body Perspective*, The International Federation of Accountants, p. 1, August 2001.

Mission – the broad, long-term purpose of an agency and its primary focus including the stakeholders to be served.

Objective – a measurable, time-defined result to be achieved that leads to the achievement of each goal.

Outcome – the consequence or result of activities (e.g., our work results in better management systems and practices; Members of the Legislative Assembly are better able to assess the performance of Government as a result of our work).

Performance indicator – a factor chosen to monitor success in achieving objectives.

Performance plan – an agency's business and financial plan

Performance report – compares an agency's planned and actual results (e.g., an annual report, financial statements).

Results – outcomes achieved and outputs

Risk – the possibility that an agency will experience adverse consequences from events or circumstances (e.g., a major financial, operational, or legal issue an agency must manage well for success in achieving its objectives).

Sectors – multiple government agencies working together to deliver common programs or to achieve common goals.

Stakeholders – those who have an interest in our decisions, including the people of Saskatchewan, Members of the Legislative Assembly and Standing Committees, and officials/managers/employees of Government.

Strategies – the approaches that can be taken to meet objectives and achieve goals.

Vision – a brief description of the ideal state.

Abbreviations

CCA – The Standing Committee on Crown and Central Agencies

CCAF – Canadian Comprehensive Auditing Foundation

CCOLA – Canadian Council of Legislative Auditors

CIC – Crown Investments Corporation of Saskatchewan

CICA – The Canadian Institute of Chartered Accountants

ICAS – Institute of Chartered Accountants of Saskatchewan

IIA – Institute of Internal Auditors

PAC – The Standing Committee on Public Accounts

Supplementary Information

Employee Earnings

List of employees earning $50,000 or more and their earnings for the year ended March 31, 2008.

Ahmad, Mobashar	$ 129,069
Anderson, Mark T.	105,099
Atkinson, Brian R.	143,005
Borys, Angèle M.	105,099
Clemett, Tara L.	96,765
Deis, Kelly W.	105,099
Drotar, Charlene A.	88,263
Duran, Jason S.	74,800
Ferguson, Judy D.	124,259
Grabarczyk, Roderick A.	105,099
Harasymchuk, William W.	91,120
Heebner, Melanie	64,120
Heffernan, Michael A.	124,259
Hoang, Lysa H.	64,120
Hungle, Angie D.	81,117
Knox, L. Jane	110,216
Kress, Jeffrey J.	97,012
Lindenbach, Michelle D.	64,277
Lowe, Kimberley I.	88,263
Martens, G. Andrew	105,099
Montgomery, Edward	124,259
Nyhus, Glen D.	105,099
O'Quinn, Carolyn	105,099
Rybchuk, Corrine P.	96,809
Schwab, Victor A.	105,099
Sommerfeld, E. Regan	88,263
St. John, Trevor P.	69,159
Thorson, Angela K.	52,240
Tomlin, Heather D.	63,930
Volk, Rosemarie M.	105,099
Walker, Sandra J.	73,521
Wendel, G. Fred	167,786
Wendel, Leslie E.	105,099
Payees under $50,000	1,077,092
Decrease in accrued vacation leave payable and recoveries	(41,248)
	$ 4,263,466

Suppliers

List of persons or organizations that provided goods and services to the Office of the Provincial Auditor for $50,000 or more for the year ended March 31, 2008.

Merchant Law Group	$ 61,854
S & U Homes	325,621
	387,475
Suppliers under $50,000	731,653
	$ 1,119,128

Other Expenditures

List of statutory expenditures of the Office of the Provincial Auditor for $50,000 or more for the year ended March 31, 2008.

Public Employees Dental Plan	$ 75,458
Public Employees Pension Plan	287,480
Receiver General for Canada - Canada Pension Plan	118,465
Receiver General for Canada – Employment Insurance	51,695
	533,098
Other expenditures under $50,000	77,835
	$ 610,933